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Natural Resources Committee
February 13, 2013

[LB517]

The Committee on Natural Resources met at 1:30 p.m. on Wednesday, February 13, 2013, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB517. Senators present: Tom Carlson, Chairperson; Lydia Brasch, Vice Chairperson; Annette Dubas; Ken Haar; Jerry Johnson; Rick Kolowski; Ken Schilz; and Jim Smith. Senators absent: None. [LB517]

SENATOR CARLSON: Welcome to the Natural Resources Committee. I am Tom Carlson, senator from District 38, Chair of the committee. And to my far left over here is Senator Rick Kolowski from Omaha, District 31; next to him, Senator Ken Haar from Malcolm, District 21; next to him, Senator Jim Smith from Papillion, District 14; and the empty chair is for Senator Ken Schilz from Ogallala, District 47; next to me is Laurie Lage, our legal counsel; and then to my far right is Barb Koehlmoos, the committee clerk; next to her is Senator Lydia Brasch from Bancroft, who is also the Vice Chair of the committee; and next to her is Senator Jerry Johnson from Wahoo; and then Senator Dubas, I know has some bills to introduce this afternoon, she may be here but Senator Annette Dubas from Fullerton. Our pages today are Tobias Grant--you want to wave, Tobias--from Lincoln, and Dave Postier from York. And today we have the hearing on LB517. If you're planning on testifying, please have the green sheet picked up, which is back by either door, have that filled out in a very readable form that you hand in, put in the box by the clerk before you testify. If you don't want to testify but want your name entered, you can sign a white sheet back there and you will be known as being present at the hearing. If you don't choose to testify but you would like to submit something in writing, you can do that and that will be read into the record. If you have handouts, please make sure you have twelve of them and if you don't, the pages can help you out on that so that we have enough for each member of the committee, plus a few spares. When you come up to testify, you don't need to touch the mike. And sometimes it's just habitual and I'll correct you if you do that because it's so sensitive that you don't need to move it. In fact, if you lean back in your chair and want to whisper, it will pick that up too. (Laughter) So try not to touch the microphone. When you begin to testify, give your first name and last name and spell it. And if you don't do that, I'll stop you long enough so that you do spell your name and that keeps our records accurate. None of the committee members operate any electronics during the hearing and so if you have cell phones, either turn them off or make sure they're on vibrate so that doesn't disturb the hearing. I don't think it's going to be a problem today, but we have no displays of support or opposition from those of you observing to a testimony. And we keep things very civil in that regard. We do have a light system and it won't apply to me introducing the bill, but I probably won't take that much time anyway, but then we will use the light system. And so when you sit down and you're ready to begin testifying, the green light will come on and that will give you four minutes. After four minutes, the yellow light comes on. That means you have a minute and then when the red light comes on, you should wind things up, and if need be, I'll help you do that. And then, of course, when

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we start asking questions from the committee, the lights don't have anything to do with that. Are there any questions before we begin our hearing today? Thank you for coming.

SENATOR BRASCH: Now we'll present the first item on the agenda, LB517. Senator Carlson will introduce LB517. [LB517]

SENATOR CARLSON: (Exhibits 1 and 2) Senator Brasch and members of the committee, I am Tom Carlson, T-o-m C-a-r-l-s-o-n, senator from District 38, here to introduce LB517. Water is a huge issue in Nebraska. Water is life. And clean water is the most important natural resource in the state of Nebraska, in my opinion. And I'd like to give just a brief history as I see it leading up to LB517 of water in our state. In 1973, the NRDs were formed to manage groundwater. And I don't know the exact date, but in the 1990s the Water Policy Task Force was formed, and more to do with what needed to be dealt with on the Platte River. And that group met for several years, did good work, a lot of research, a lot of discussion, but there was no significant request for funds that came out of that work. And then a few years ago we had LB229, which was a bill searching for funds for water projects. As a result of that, there were some funds that were committed from the Environmental Trust for a period of time, and some benchmarks attached to the money that they provide along with money that the state provides, the two together combined for \$6.6 million a year, and we are in the second years of that. It's possible if benchmarks are met, that it could continue for another three years, and maybe even another three years beyond that. But then we had the LR314 which was a study group, and that group looked at water basics, researched data that could be found and reviewed concerning water, existing funding sources, and identifying future funding sources, looking at future needs in regard to water. There was a lot of discussion by a lot of people and a lot of work that was done and a report was put together and given just this last fall. We do need a long-term source of funds for water projects from the state. If we go back to LB701 in 2007, that had a corn checkoff. As far as water issues are concerned, it shouldn't all fall on irrigated corn. It should not fall on those who raise corn. And so as a Legislature, we removed that checkoff. And I don't recall the year, but it was probably a couple of years ago. And in the area of water, I don't believe that agriculture should be totally responsible for the entire bill. Now, there are many groups that have a vital interest in water quantity, water quality, and state water policy. Those that have a vital interest include industrial users, municipalities, those who use domestic wells, livestock producers, irrigators, and remember that these two sources provide the food that we eat. Outdoor recreation, those interested and concerned about the environment, public power, and there are other groups, but these are the groups that come to mind as I think of those that have a significant impact on the use of water in the state of Nebraska and have a real interest in what we eventually do. We now know in Nebraska that our supply is not unlimited. And it wasn't too many years ago that we really didn't think that way. And so that is a change in attitude that I've noticed in the time that I've been in the Legislature. The drought that we went through in 2012, and it looks like we're in it again in 2013, again brings this to the forefront that we

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do not have a limited supply. And so, we need sound management for water sustainability. Now, some tell me, and I don't really argue with them, that economic sustainability is just as important. But I would say if we don't have water sustainability, we will have no economic sustainability. And so I think it's time for LB517 and AM201 is an amendment that actually becomes the bill. So I would ask you to listen carefully, ask questions of our testifiers, and it's going to be very interesting to see what thoughts and attitudes there are concerning LB517. I invite input from those that are here to testify. I want an honest reaction to the bill, and I'm open to adjustments that people think should be made to make it a better bill. And so with that, I close my opening and would answer any questions that the committee might have. [LB517]

SENATOR BRASCH: Thank you, Senator Carlson. Are there questions from the committee? [LB517]

SENATOR CARLSON: Okay. Thank you. And so that those that are testifying know, I'm going to take my place back at the chair and I'll be conducting the hearing, but I will not be asking questions. I've challenged the committee to take care of that for me. Thank you. [LB517]

SENATOR BRASCH: First proponent. [LB517]

SENATOR CARLSON: And as we have...let's get an idea, how many proponents do we have? Okay. And we are using the lights, so if you don't mind, if there are empty chairs up here, the first three or four seats, move up and get in position so that we take the least amount of time between testifiers. That would certainly be helpful. Welcome. [LB517]

JOE HERROD: Thank you, Senator Carlson, members of the committee. My name is Joe Herrod, J-o-e H-e-r-r-o-d. I'm here today representing the Nebraska Council of Sportsmen's Clubs. We are a user group, recreation, and frankly, we like this bill so much, and I personally like it so much, that I'm not on the golf course today. (Laughter) But I'm going to give everybody else plenty of time to talk because that's all I have to say. [LB517]

SENATOR CARLSON: Okay. Thank you, Mr. Herrod. Appreciate your testimony. Any questions of the committee? I think you wanted to get off easy today, so thank you for your testimony. [LB517]

JOE HERROD: Thank you. Good luck. [LB517]

SENATOR CARLSON: Thank you. Next proponent. Welcome, Mike. [LB517]

MICHAEL DRAIN: (Exhibits 3, 4 and 5) Thank you, Senator. My name is Michael Drain,

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M-i-c-h-a-e-l D-r-a-i-n, and I am testifying in support on behalf of the Central Nebraska Public Power and Irrigation District. I should have caught the page while he was up here. I do want to let you know that I have some written testimony which is more detailed, and some handouts. Those are for the clerk, and then I also have copies of the written testimony for each of the members and copies of each of the handouts. They're separated by the red sheet for each of the members. The handouts I will try to describe to you even as they're coming around to save on time. They're just representative of the water issues that this state faces. In the two handouts, there's one that is showing...it's a graph of inflows into Lake McConaughy at Lewellen, Nebraska. It shows a steady decline of inflows, we believe at Central, caused at least in part by excessive well use in the Panhandle. That is not what LB517, LB516 are trying to fix. The other graphic is a map of densities of irrigation wells in the state of Nebraska. You can see in that map that there is a significantly larger number of wells in the eastern part of the state than in the western part of the state. Those wells are not normally an issue because we get so much rain in the eastern part of the state. But in years like 2012, we believe that those high densities of wells in the eastern part of the state contribute to some of the low flows in the Platte River that we saw that were problems for the cities of Lincoln and Omaha well fields. Again, not something that the bills are specifically intended to fix. What those handouts are trying to show is that water is a statewide issue. In those two graphics you have from west to east problems, you have in dry areas and wet areas of the state problems, you have water uses that are related to agriculture, municipal use, environmental use, recreational use, surface water and groundwater. That is why I provided those handouts. Senator Carlson mentioned, and he is absolutely right, water is life for Nebraska. I think that we have come as Nebraskans to realize that we do not have a water problem to fix, but we have a permanent water issue that is always needing to be addressed. And because of that, there is a need for a permanent funding from the state to help address these water issues. Now, I think that even folks who maybe are going to be neutral or in opposition to the legislation generally do not dispute whether or not we need the funding. The issue is, I think, on the task forces and the mechanisms created for deciding what projects should be implemented, how that funding should be spent. Central believes that the bill represents the best way to get this funding through the Legislature. Just like water is a limited resource, so too are state funds. And it is not reasonable to expect that the Legislature is going to continue to provide funds or provide a permanent committed source of funds without feeling confident that the best possible mechanism for spending that money in an efficient manner has been created. And we think that that is what LB517 and then also the related LB516 will do. With that, I will answer any questions. [LB517]

SENATOR CARLSON: Okay. Thank you for your testimony. Questions of the committee? Okay. Seeing none, thank you. [LB517]

MICHAEL DRAIN: Easiest it's ever been for me here. [LB517]

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SENATOR CARLSON: Thank you for your testimony. Next proponent. Welcome, Dave. [LB517]

DAVE SANDS: (Exhibit 6) Good afternoon, Mr. Chairman, members of the committee. My name is Dave Sands, last name spelled S-a-n-d-s, and I'm here representing the Nebraska Land Trust. Many years ago, I was sitting around a campfire on the Niobrara River with a friend who was a canoe outfitter. Half in jest, I pointed out that canoeing could be hard on a marriage. I explained that whenever my wife and I canoe and hit a rock, she would blame me for not steering around it, and I would blame her for not warning me soon enough. My friend laughed and suggested that a divorce lawyer could make a pretty good living if they just set up a desk at Rocky Ford where many people exit the river. To water users in this state, this may sound familiar. When it comes to water issues, we're all in the boat together, but we've hit some rocks which results in a lot of finger pointing, and as we all know, that can end with attorneys. There is one more parallel. Finger pointing does not help us to avoid the rocks in the first place. Instead, we need to identify obstacles well in advance so we can plan to avoid them. When it comes to water use in Nebraska, LB517 is the first step in charting this course. There are a number of things that most people on all sides of water use seem to agree on, such as the need for more research across the state to better understand the resource, and how one use affects another. Most would agree that water is the lifeblood of our state and one of Nebraska's greatest assets going forward, but only if we take good care of it. Today, that means recognition and balancing of multiple uses, including agriculture, municipal use, wildlife, recreation and power. This may require improvements in conservation, existing infrastructure, or even new multiple use projects. We simply don't know at this point, but the task force established by this bill will help to provide some answers and prioritize needed actions. This in itself is a worthy endeavor, but in the larger context it is only a first step because more research and better management has a significant cost. We don't know what it is and this is nothing new. Nearly a decade ago, the 49-member Water Policy Task Force achieved a consensus on changes in our water law to better integrate ground and surface water management. On any issue, 49 is an impressive consensus, and on water it was practically unheard of. But agreement was contingent on a strong recommendation that a dedicated source of funding be found to fully implement the law. To their credit, the Legislature adopted most of the recommendations with one notable exception, a dedicated source of funding. In hindsight, maybe this was a shortcoming of the Task Force and not the Legislature, because it's a hard sell to fund a moving target and the Water Policy Task Force had run out of time and resources to give anything but a general estimate. The new task force established by LB517 can finish the job and provide a firm target grounded in a thorough and prioritized assessment of needs. Until this is done, we cannot have a realistic conversation about a state investment in our water resources. We appreciate Senator Carlson's introduction of this bill to move the conversation forward. We also appreciate the effort to bring a wide group of water stakeholders and expertise together from all parts of the state. With this in mind, we

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would request one small change in Section 2, provision (c). To assure the desired representation from wildlife interests, we would suggest that "resource conservation" be changed to "wildlife conservation." Otherwise, this position could be construed to mean soil conservation or something other than wildlife, potentially omitting a key stakeholder group that most certainly needs to be at the table. In summary, the choice is clear. We can keep paddling down the river blindfolded, hitting rocks as we go, reaping the consequences when we capsize, and pointing fingers to assign blame, and hiring attorneys to work it out, or we can opt for a better marriage of water uses by charting a course through the rocks and working collectively to avoid them. We thank Senator Carlson for choosing this course and we encourage you to follow by passing LB517 out of committee, as amended, because we're all in this boat together. [LB517]

SENATOR CARLSON: Okay. Thank you for your testimony. Questions? Senator Haar. [LB517]

SENATOR HAAR: The way you can solve the canoe problem is you get a communication system so she can keep telling you what to do from the back. [LB517]

DAVE SANDS: That was our problem. (Laughter) Thank you for that advice, Senator. [LB517]

SENATOR HAAR: Yes, I understand that problem very well. So do you think we've been trying to do water management on the cheap, is that what you're saying? [LB517]

DAVE SANDS: I don't think we've taken a realistic look at what is needed for our water management. You know, before you can say what it's going to cost or how much we need to spend or whether we're doing it on the cheap or getting a Cadillac, I think we need to find out what it costs. And that's what this bill is about, I believe, is helping to identify firm figures on what needs to be done, what are the priorities in what needs to be done, and basically creating a road map, if you will, for us to move forward on, and perhaps then we can find that dedicated funding source for water, once we know what the actual target is. [LB517]

SENATOR HAAR: And I know there's another bill on the dollars involved here, but do you remember what the dollar amount was from the other...? [LB517]

DAVE SANDS: You know, my memory isn't as good as it used to be, but I think it was in the \$50 million, \$60 million range. I may be wrong on that but I'm thinking it was somewhere in there. But it was a guess, as I recall. I was on the Task Force and as I recall it wasn't grounded in research or any sort of extensive look at what we need. [LB517]

SENATOR HAAR: And, of course, the big question will come up then, do we carve that

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out of the existing budgets, or do we say to Nebraskans, hey, here's something we have to pay a little more for. [LB517]

DAVE SANDS: I think that's the tough conversation. I think it's a conversation for another day because to get to that conversation, I think we need to get this bill first so we know what the real dollar figure is. [LB517]

SENATOR HAAR: Okay. Thank you. [LB517]

DAVE SANDS: And I think that's the value in this bill. [LB517]

SENATOR HAAR: Thanks. [LB517]

SENATOR CARLSON: Okay. Senator Schilz. [LB517]

SENATOR SCHILZ: Thank you, Senator Carlson. Dave, how are you doing today? [LB517]

DAVE SANDS: Good. [LB517]

SENATOR SCHILZ: Thanks for coming in today. And I...as I listened to you testify, you know, and I heard, you know, you talked about LB962, you talked about how that came together, and then you hit on something that is extremely important and that's the research and understanding what we actually have. And as I look at what goes on, that, to me, seems to be the most important first step because if we're going to plan projects, and we're going to plan things to expend money, we have to understand what the truth is out there as far as water is concerned, and then we have to accept that truth, and then we have to move on to be pragmatic about the projects that we work on. Do you see it that way? [LB517]

DAVE SANDS: I agree completely. [LB517]

SENATOR SCHILZ: And then the next question that I have, as you come and you look at a group like this, I mean, having been involved in the Water Policy Task Force and other things as we both have, do you think...and I see that we have, you know, a myriad of interests that are being involved there. Is it...would it be beneficial for a group like this to come up with criteria, necessarily, and not just throw everything in the hopper, but say, okay, we know nothing of what we want to get done out here? All we know is what's important after we find out the review. Is that a good way to go forward? I'm shaking this around in my head to try to figure out the best avenue for this committee or task force to move forward. Is it throwing all the things in the hopper and saying, well, which one shall we do first, or is it kind of like the Environmental Trust doesn't have a scoring system to say, hey, look, is this...does this fit as many of the criteria as we can

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to get those resources that are hard to come by? [LB517]

DAVE SANDS: Well, first of all, I think you hit the nail on the head that research comes first. Before we know what projects we need to do, we need to know what the research is telling us to do, in a sense. And so I think, you know, that is the key, getting that research done. You know, everything probably will get thrown in the hopper. Look at all the interests on that board. You can guess each one of them is probably going to come with an idea of their own. I assume, you know, we would have our own ideas about what needs to be looked at. In terms of developing criteria to weigh various projects, I think you'll...probably something like that may happen. You're going to have to have some protocol for ranking projects. It's going to have to be transparent. It's going to have to be well thought out with lots of input from a lot of people on what should go into those protocols and rankings, but I think...I don't see how you get to a priority list without a protocol and a ranking process. [LB517]

SENATOR SCHILZ: Thank you. [LB517]

SENATOR CARLSON: Senator Johnson. [LB517]

SENATOR JOHNSON: Thank you, Chairman Carlson. Thank you, Mr. Sands. You talked a fair amount about the Water Policy Task Force and the consensus that they built, which is, I would agree, amazing for 49 people. I guess my question is two part, one, is the failure of that because of funding, or is the failure or the reason to look at something different because what they were...the goal they had or what they were doing is not heading in the right direction? Do we still have some things that the Task Force developed that we incorporate into this or are we better off starting all over? [LB517]

DAVE SANDS: Well, you could say the Water Policy Task Force is to blame. (Laugh) And I...I mean that a little bit lightly because I was on the Task Force and they did wonderful work. And what the Task Force came to agreement on was basically a rewrite of our water law that was intended to...in the past, surface water and groundwater kind of existed in a vacuum from each other, one being regulated by NRDs, the other by the state. And this was an effort to bring those two together to let...you know, understand what each other are doing, understand conjunctive uses of water and streams, impacts on groundwater, and vice versa, and all that. And so in that respect, I think the Task Force succeeded greatly and that was the remarkable thing about the consensus, where they agreed on the changes that needed to be made in the law. But the Task Force also understood...that task force also understood that there was a cost to this, that better management has a price tag and we talked about the various things that are encompassed in that price tag. And, you know, some can say that's where the Water Task Force fell short because we didn't go that much further, but frankly, I would say, is more kind of a case of people running out of energy, running out of money, running out of time, running out of resources. That task force kind of went on for a number of years

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and I think people were pretty well spent by the end. But they did include the strong recommendation to the Legislature that a dedicated funding source for water should be sought. I believe they even offered some suggestions, but that was the one piece that wasn't done and why we're here today. [LB517]

SENATOR JOHNSON: Thank you. [LB517]

SENATOR CARLSON: Okay. Thank you. Any other questions of the committee? Seeing none, thank you for your testimony. [LB517]

DAVE SANDS: Thank you, Senator. [LB517]

SENATOR CARLSON: Next proponent. Welcome, Jay. [LB517]

JAY REMPE: Thank you, Senator Carlson. Members of the Natural Resources Committee, my name is Jay Rempe, J-a-y R-e-m-p-e. I'm vice president of governmental relations for Nebraska Farm Bureau, and I'm here today on behalf of the Nebraska Farm Bureau in support of LB517. First, I would like to express my appreciation to Senator Carlson for introducing LB517 and continuing the dialogue and the discussion around water funding. As previous testifiers have said, funding to address our state's water challenges is vitally important. And as we look back over the history of what's occurred, I think the Legislature has done an excellent job. But back to the Water Policy Task Force a little bit, in all those discussions there was always a lot of discussion, it's going to be both a state and local element to water funding. And I think coming out of that, we've always discussed about needing a state and local element to that, and I think the Legislature has done a wonderful job on the local side. It provided the NRDs the occupation tax on irrigated acres. They gave the NRDs increased budget limits and property tax limits where they could put together their integrated management plans and do the things that has to be done locally. And...but where we failed is on the state side. We did pass LB229 which for a period of time has provided some funding, but we still are out searching for that long-term sustainable funding source. So that's what brings us here today. And I...maybe it's appropriate I'm following Dave Sands because I was going to mention the Water Policy Task Force as well. I think LB517, and what it's attempting to do, embodies a lot of...some of the recommendations that came out of the Water Policy Task Force. If I recall correctly, after LB962 was adopted and there was still a funding issue there, the Water Policy Task Force continued its discussions and one of the things it recommended was doing a statewide assessment in looking at the funding needs and doing it on a basin by basin and trying to identify the challenges in each basin, what kind of projects and activities, research data gathering, modeling is needed to help address that. Identify different alternatives and then set priorities and look at, I guess, ways to invest our state's scarce resources wisely. And I think LB517 embodies a lot of that. Now, a part of the recommendations that came out of the Water Policy Task Force back then was that it would be led by DNR and that

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it...they work with a consultant and try to pull this together. This is a little different approach with the task force in setting the priorities and that, but I think it's still taking the same basic process and approach. The LR314 study, I think, did a great job at the macro-level of identifying the needs there, but somebody needs to burrow down into that and look specifically what needs to be done over the next two, three, four years, and then what maybe the game plan is longer out and establish that road map, if you will, for the future. And I think that's where this bill plays an important part. I might suggest that it has been talked about in prior years and we're asking this task force to do a lot in a short amount of time. It might be worthy of investigating whether or not to look at some assistance on the part of a consultant or something to help bring that data and information together. The task force could set the priorities or set out the criteria or the big picture, then a consultant could pull together all the information or somehow get somebody on the ground doing that kind of work is one suggestion I might have. And in closing, people already mentioned all the competing uses out there that we have. And just to give a...and much is at stake in this in our future in Nebraska and just to give you an example of the importance of water to this state, obviously, we have the ongoing drought, and what occurred last year. We asked...ironically, we asked a firm that did some work for us a few years prior on the cost of the Missouri River flooding, what that meant in lost output, I guess, to the state's economy because of the flooding. We asked them, okay, what in 2012, look at 2012 and if we didn't have irrigation in the state of Nebraska, what would it have meant to the state's economy? And they found that if we had not been able to irrigate in Nebraska, it would have...we would have lost nearly 11 billion in the total output in the state's economy and over 31,000 jobs. So water is vitally important to this state and I think that just really doubles down, I guess, if you will, the importance. So with that, Senator Carlson, I'll be quiet and answer any questions you might have. [LB517]

SENATOR CARLSON: Okay. Thank you. Any questions of Jay? Senator Brasch. [LB517]

SENATOR BRASCH: Thank you, Chairman Carlson and thank you, Mr. Rempe, for your testimony today. Starting your number three as a senator here, first year was the letting along the Missouri River, second year was the drought all over the nation and Nebraska, third year it sounds like another drought year, and so deliberately I attend as many meetings anywhere I can grasp information, whether it's the university, listen closely to the NRDS, the Water Round Table meeting, and there are numerous groups, numerous groups, call them groups or task forces, how will that affect the NRDs? Will this diminish their ability to on local water...I went to the conservation water, land meeting at seven in the morning last Friday, you know, heard their. You know, there's so many groups focused on water, be it the drought or the flood. And I'm not that familiar with task force. You know, what will this do to the...to our NRDs or the land and water conservation people? Will it result in legislation like the one that...? [LB517]

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JAY REMPE: I don't think so, Senator Brasch. And my understanding what's trying to be accomplished in this bill, the task force is focused solely on the funding mechanism side because there's a lot of needs out there and the NRDs, they're the top in terms of needs on a variety of different levels in terms of the integrated management plans they've put together or are in the process of putting together, projects and activities that they're doing on a local level, research, modeling, data gathering. And so if anything, in my opinion, this could be of great assistance to the NRDs in terms of helping get them some state funding that they can leverage with their local dollars to maybe get some things done that they haven't been able to thus far because of some funding constraints. [LB517]

SENATOR BRASCH: So, will they make recommendations to the NRDs, or do the NRDs make recommendations to them, or the group we saw this morning sounded...you know, out in western Nebraska, you know, they face a lot of challenges. And as a farmer, not senator now, but we're always concerned about another task force or another meeting. Most of them are held when we're planting or when we're harvesting. [LB517]

JAY REMPE: Right. Uh-huh. [LB517]

SENATOR BRASCH: Well, how much access will the ag community have? [LB517]

JAY REMPE: Yeah. Well, we hope we have a lot of access to the deliberations. In terms of how the task force goes about its work, I think that's something that...a discussion point that we need to have. I would hope...again, the LR314 study I think did a great job of identifying at the big picture level the needs. Somebody needs to burrow down into those details and it would be my expectation that the task force would reach out to all the various stakeholders, NRDs included. They've got to be near the top of the list in terms of within your basin and your NRDs, what are the goals and challenges that you face and what are some of the things that you would like to do but you don't have the funding mechanism to do it. And I would think they would play an integral role in providing that information to this kind of a group. So then this group could sort through all of that, and based on whatever criteria that is come up with, figure out, okay, we have these needs all over the state. Somebody has got to prioritize this and lay out a road map based on that. [LB517]

SENATOR BRASCH: Do you have any thoughts about who would be facilitating this? Who do you envision being...is it the...you know, one person with multiple hats, or...you know, who would be...? [LB517]

JAY REMPE: You know, that's a good question and I haven't given that a lot of thought on how to actually get this on the ground and running. In the past, as I've mentioned, there's been consideration of a consultant that where you enter into a contract or

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agreement with the consultant to kind of work with a group like this to move it forward, and that's something for the committee's consideration. Other than that, I'd have to give it a little more thought, Senator. [LB517]

SENATOR BRASCH: Very good. I have no other questions. [LB517]

SENATOR CARLSON: Okay. Senator Haar. [LB517]

SENATOR HAAR: Thank you. In the fiscal note it describes it this way. It says, it identifies water resources projects and activities in need of funding in order to meet the long-term statewide goals and so on. So you see the purpose of the task force more to do this sort of, what are all the projects and stuff, or just how are we going to get the money? [LB517]

JAY REMPE: I'd see it more the first in not so much...come back to this committee and the Legislature with more of a road map of what the funding needs are, and that will help make, I think, a better well-informed decision on how do we get the money then or where do we get the money depending on the needs, and the timetable that's laid out in that. So I...as I picture it a little more, the first part of that. [LB517]

SENATOR HAAR: Okay. Well, and you know we would expect people to come to the table with their organizations' or their stakeholders' interests in mind. You have some very obvious ones and so on. What kind of attitude would be...you get a task force like this together, each with their own interests, what kind of attitude is needed to come to the table? [LB517]

JAY REMPE: Good question. Having served on a task force, I guess you've got to have an attitude or a commitment to sit down and be able to listen to other people and work with other people and offer your...not be afraid to offer your thoughts and inputs into the process, but...with an understanding that not everyone is maybe going to see it from your perspective as well, too, so. [LB517]

SENATOR HAAR: Sort of fight like hell and...but compromise. [LB517]

JAY REMPE: Yeah. Recognize that there's an end goal here that we're all trying to reach towards, so. [LB517]

SENATOR HAAR: Thank you. [LB517]

SENATOR CARLSON: Okay. Any other questions? Senator Schilz. [LB517]

SENATOR SCHILZ: Thank you, Senator Carlson. Just as you were talking about the task force and stuff, I just keep remembering back, and I don't want to put you on the

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spot. Do you remember, I'm trying to think, when did LB962 come up? Do you remember the year? When was the Task Force...? [LB517]

JAY REMPE: Well, if I remember right and you're testing my memory, Senator. [LB517]

SENATOR SCHILZ: That's okay because I can't remember either. (Laugh) [LB517]

JAY REMPE: The Task Force was appointed in 2001, and LB962 was passed in 2004, I believe. [LB517]

SENATOR SCHILZ: Four. That's what I thought, yeah. And that was really the last real push to find any funding. [LB517]

JAY REMPE: Right. [LB517]

SENATOR SCHILZ: And when that didn't work, here we are now, eight years later, right? Nine years later. [LB517]

JAY REMPE: Right, yeah. [LB517]

SENATOR SCHILZ: So I think that what I'd like to impress with folks is that you don't get many shots at this. You don't get many opportunities to get it right and we do only have to get it right once. But if we don't get it right this time, how many more years are going to go by before somebody and people are willing to step up because it was a heck of a fight. I mean, you just couldn't...just couldn't get any traction, so I just hope that everybody that's involved understands that it is surely important that we don't fall down this time, that we get this done. [LB517]

JAY REMPE: Yeah. And if, in my opinion, part of what occurred back when LB962 passed, there was such an effort to get LB962 passed and the political capital that was expended to get that done, we kind of lost steam, I guess, if you will, somebody else mentioned on the second part of this. And so...yeah. [LB517]

SENATOR SCHILZ: Yeah, I don't disagree. Thank you. [LB517]

SENATOR CARLSON: Any further questions? Seeing none, thank you, Jay, for your testimony. Next proponent. Welcome. [LB517]

RYAN HEINIGER: Good afternoon, Mr. Chairman and members of the committee. My name is Ryan Heiniger, R-y-a-n H-e-i-n-i-g-e-r. I am the director of conservation programs for Ducks Unlimited. I'm responsible for Nebraska, Kansas, Colorado and Wyoming, so I see a pretty good section of the Great Plains. I'm based out of our Bismarck, North Dakota regional office, but earlier in my career I spent about four and a

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half years working for Ducks here in Nebraska based out of Grand Island. I'm here today representing and on behalf of the 11,700 members of DU to offer our support for LB517. Our organization is in strong support. As you might imagine, I'm representing an organization with a mission dedicated to wetlands and water fowl. Every project that we're involved with involves water in some capacity and the infrastructure necessary to manage it as efficiently as possible. We commend Senator Carlson for introducing this legislation, as well as its companion piece, LB516, the Water Legacy Act to establish the Water Legacy Commission and the Water Legacy Fund. I want to just spend a moment talking about a couple of the particular details that we are especially supportive of. And the first is the direction in the legislation to establish very clear priorities for the programs and projects to be funded eventually with some long-term dedicated source of funding. In our experience working in other states, it's always...it's been our observation that it's much easier to discuss and reach consensus about the priorities when it's somewhat in the abstract before there's perhaps real money at stake. So we're really thankful that this legislation does focus on the outcomes and the process by which those water quantity and quality goals will be reached. Additionally, we appreciate the recognition that's also placed on leveraging other state dollars. That's certainly one of the things that Ducks Unlimited brings to the table is working with our very generous supporters and bringing nonfederal, nonstate dollars to the table to partner with landowners, state agencies, NRDs and others. And then finally, I guess the recognition that's also being placed on projects that produce multiple outcomes in addition to perhaps the water quantity and quality outcomes, but recreation, wildlife habitat benefits that's also noted in the legislation. So I guess in summary, Ducks Unlimited stands ready to assist Senator Carlson, the Legislature, and the Governor to make sure that this report really sets the stage to make that final leap and cross that goal line of getting that long-term source. I would offer the services of our very talented and capable professional staff of civil engineers and surveyors, biologists, and others that have a lot of expertise in working on water projects collaboratively with many other folks and many of whom are in this room today. So thank you for the opportunity to be here and express our support. I'd be happy to take any questions. [LB517]

SENATOR CARLSON: Okay. Thank you for your testimony. Questions of the committee? Senator Haar. [LB517]

SENATOR HAAR: Thank you. So for something like this to work, everybody has to feel they're fairly represented. Do you see that for your interest in this task force? [LB517]

RYAN HEINIGER: We are interested in the outcome, so I would offer that...it's a great question. We're not focused on necessarily having a seat at the table. We'd be very pleased to help. We'd welcome the chance to provide that input, but in terms of having the legislation be crafted in a way that guarantees, win the wildlife interests a slot, that's not a primary focus at this time. [LB517]

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SENATOR HAAR: Thank you. [LB517]

SENATOR CARLSON: Okay. Any other questions? Seeing none, thank you for your testimony. [LB517]

RYAN HEINIGER: Thank you. [LB517]

SENATOR CARLSON: Next proponent. Welcome. [LB517]

BRUCE KENNEDY: (Exhibit 7) Senator Carlson, members of the Natural Resources Committee, my name is Bruce Kennedy, B-r-u-c-e K-e-n-n-e-d-y. I am here representing the Wachiska Audubon Society. We are the local chapter of the National Audubon Society. I've already given the secretary a letter detailing our support for LB517. I'll just take a few minutes to tell you that it seemed like many years that we've been up here opposing legislation that would finance our water resource projects, and it is wonderful to be here in support of a measure. We see LB517 as an honest effort to secure dedicated funding for our water resource problems. And we thank Senator Carlson for introducing this bill. I think that pretty much details my testimony. Any questions? [LB517]

SENATOR CARLSON: All right. Thank you for your testimony. Questions of Mr. Kennedy? Thank you. Next testifier. Welcome, Kim. [LB517]

KIM ROBAK: (Exhibit 8) Thank you, Senator. Senator Carlson and members of the committee, my name is Kim Robak, R-o-b-a-k. I'm here today on behalf of the Lower Republican NRD. I have a handout that I want to pass out to you and it's a picture of the drought as of a week ago across the country. And many of you may have already seen this picture. This is from the National Drought Mitigation Center at the University of Nebraska. And one of the things that you'll notice when you look at this picture of the drought right now is that Nebraska is the hardest hit state across the nation with drought, and that our drought in Nebraska is either severe, extreme, or exceptional. Now, I went back and did a little research and I didn't...I didn't make a copy of this, but I do have a picture of what the drought looked like in 1935 in the middle of the Dust Bowl, and it's pretty comparable to the way it looks today. The difference is that today we have a far greater need for our agricultural products because we sell them around the globe, and we have ethanol in which we are selling our agricultural products in order to make renewable fuels. So we do have a particular issue in front of us and sometimes when we have a crisis, people can come together to be able to find some solutions. The opening sentence of the amendment to LB517 says that Nebraska's water resources are finite and must be wisely managed to ensure their continued availability. I think this drought picture shows specifically how finite some of our water resources are. In particular, drought is expensive. Mr. Rempe mentioned before the cost of not irrigating. It's...we tend to underestimate the effects of a drought because it isn't a one-time event.

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It's not like a tornado that hits in one day or a flood. It goes on for a long period of time. But FEMA estimated that in 1995 alone, that the cost of the drought that year was \$8 billion, with a "b." And the National Climatic Data Center has assembled a list of the world's worst weather disasters, from 1980 to 2008, 18-year period of time, and among those, droughts consisted of 20 percent of all the national...international world weather disasters over that 18-year period of time. So our farmers and our communities and because agriculture is the most important industry in the state, the state of Nebraska suffers whenever we have a drought. And it particularly exacerbates the facts of the Republican River Basin Compact where the Lower Republican NRD resides because we have to make sure that there's sufficient water in the river to comply with the compact. So we have...we look at this issue. It's very important to us. It's a statewide concern. One of the concerns that we have is that our urban friends don't always appreciate the importance of a drought because they don't see the ramifications of that drought immediately. So one of the things that we think is important about this task force is that it brings the entire state together to say, look, we have water needs. These water needs are important and we need to start looking at how we fund those water needs. FEMA again estimates that if you mitigate instead of planning after the fact, that you can save four dollars for every dollar you spend in mitigation. So it's important that we take these resources and we spend them wisely. The Republican River Basin knows about crisis because we've had a lawsuit and we've had to deal with the compact and many of you, or I think you all are aware about N-CORPE that's going on in the Republican River Basin, where the farmers in the Republican River Basin are taxing themselves, using an occupation tax, to buy 19,000 acres of land in order to help figure out an ingenious method of complying with the compact. So when there is a crisis, and the Republican River Basin doesn't always get along, but they found a way to get together and to make something work. So we see this bill as an opportunity for the whole state to get together with the crisis of the drought to find a solution. So, Senator Carlson, we commend you, we commend the committee for addressing this. We see this as very important. It's the logical next step to solving the problem of water funding in the state of Nebraska and the Lower Republican stands ready to help in any way to ensure the benefits of LB517. Thank you. [LB517]

SENATOR CARLSON: Okay. Thank you for your testimony. Senator Haar. [LB517]

SENATOR HAAR: Every time I drive over the Republican River I think what a small river for such big problems. (Laughter) But do you see it also as a function maybe of this group to...the hard part, then, is going to be to fund it and to...it's not just the job of the Legislature to, you know, sit here and be courageous and find that money or take that money, whatever. Do you see maybe a function as well is to get out the word to all Nebraskans? [LB517]

KIM ROBAK: I think that one of the end results of this committee will be to establish how much of a need there is because the people will say, yeah, we can fund water but what

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are we spending the money on? What is it for? And I see that this task force will show what it's for because there are huge needs out there. We're just not doing a very good job of explaining what those needs are. [LB517]

SENATOR HAAR: Thank you. [LB517]

SENATOR CARLSON: Senator Johnson. [LB517]

SENATOR JOHNSON: Thank you. Thank you, Ms. Robak. Representing one of the many NRD districts, let's assume that 15 moves forward, 16 gets us the funding, we're ready to go, how do you see representation of all of the NRDs when we have a 15-member committee and everybody handled in the proper way? [LB517]

KIM ROBAK: That's a very good question because not every NRD has the same interests as others, but I would assume that the association would be represented. And the way that I read the task force is that anybody can participate as an advisor or be part of the process. So I think in the past, and Senator Carlson, you can correct me if I'm wrong, when you've had other task forces, people are invited to attend and that they can give their input. So as long as there is...if there's not room immediately sitting at the table but there's an opportunity to give feedback and input as the process goes on, I think that's important. [LB517]

SENATOR JOHNSON: Okay. [LB517]

KIM ROBAK: I don't know if that answered your question, Senator. [LB517]

SENATOR CARLSON: Senator Brasch. [LB517]

SENATOR BRASCH: Thank you, Chairman Carlson, and thank you for your testimony here today. And I know you have extensive knowledge over the many years of task forces and groups formed, and do you believe that legislation typically comes out of task forces? When you mention the lawsuit that we're...I believe that was the result of LB108, which was the lawsuit, correct, from Kansas that opened that? [LB517]

KIM ROBAK: LB108 pulled surface water and groundwater together, I mean, at least from a statutory basis. [LB517]

SENATOR BRASCH: Okay. Oh, it did. Okay. So the lawsuit that came about resulted not from a task force in your...? [LB517]

KIM ROBAK: Well, it depends on which lawsuit you're talking about... [LB517]

SENATOR BRASCH: Okay. Okay. [LB517]

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KIM ROBAK: ...because there's been a number of lawsuits. Lawsuits that have been challenging the law, the statute. When I'm talking about the lawsuit in my testimony, I was referring to the Kansas suing Nebraska. [LB517]

SENATOR BRASCH: I see. [LB517]

KIM ROBAK: There have been various surface water or groundwater irrigators who have sued within the district, have sued the state of Nebraska, and so I don't know that any of that's going to stop, Senator. [LB517]

SENATOR BRASCH: Would a task force have avoided that? [LB517]

KIM ROBAK: I don't know if it will avoid it, but I do think what's important is that unless you have a vehicle to pull everybody together, not everybody is going to come into the room together. [LB517]

SENATOR BRASCH: I see. [LB517]

KIM ROBAK: And so what this does is create an opportunity to pull everybody together and say, we have a common interest, let's figure out how to address that issue. In my years here, Senator, I've never seen so much support for water funding. I've never seen every single agricultural and water interest say, yes, it's time, we need to fund, we need to fund water. And so I'd hate to miss that opportunity when everybody is there saying, this needs to happen, let's figure out how we make it happen. [LB517]

SENATOR BRASCH: Very good. I have no other questions. Thank you. [LB517]

SENATOR CARLSON: Okay. Thank you. Any...? Senator Kolowski. [LB517]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Ms. Robak, thank you for your testimony today. I think it's paramount for us to maybe change our own minds about task forces and all the rest and if we use more common language in our own work, if we thought of a strategic plan, and think about how we wanted to organize any organization we belong to, this lays out mission and goals and directions and decision making that we need to make. And maybe that would be a transfer of words, but it's...I think it's very similar to the same kind of process. And this would give us a lot of feedback from all over the state on potential directions we would need to hit and then put the decision making and the dollars with it, so it's extremely important. Thank you. [LB517]

KIM ROBAK: I agree with you completely. Thank you, Senator. [LB517]

SENATOR CARLSON: Senator Haar. [LB517]

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SENATOR HAAR: Just a brief comment. The first year I was in the Legislature, the Lower Plate NRD took us on a canoe trip and I share... [LB517]

KIM ROBAK: Lower Republican. [LB517]

SENATOR HAAR: ...yeah, I shared the canoe with Kim Robak, and she was great at shouting orders to me to keep us out of trouble. (Laughter) [LB517]

KIM ROBAK: Senator, we did not hit any rocks, as I recall. [LB517]

SENATOR HAAR: Oh, that's right. There was a tree in the river, but...(laughter) [LB517]

KIM ROBAK: There was a tree in the river. [LB517]

SENATOR CARLSON: And I might say that same trip, to prove how much water there was in the stream... [LB517]

SENATOR HAAR: Yes. [LB517]

SENATOR CARLSON: ...Price and Schilz got in the same canoe. (Laughter) [LB517]

SENATOR SCHILZ: And we had to go fast. (Laughter) [LB517]

KIM ROBAK: That's a very scary thought, I'm sorry. [LB517]

SENATOR CARLSON: I'm sorry, I messed up the process here. Senator Smith. [LB517]

SENATOR SMITH: Thank you, Mr. Chair. Ms. Robak, thank you for your testimony. You know, you've been close to this subject for a long time and you've seen the interest represented from across the state, urban and rural, and you mentioned that a little bit about the urban interests and them understanding. As you look at the makeup of the proposed group, do you see any improvement that can be made or need to be made to ensure that we incorporate the interest of the urban interests? [LB517]

KIM ROBAK: Urban interests. I see...and that's actually a conversation that Senator Carlson and I have had because ultimately if we want to get funding for water, we're going to have to have the support of urban interests to get funding for water. And it specifically says, urban, I think, or cities or urban and rural, I think, in the language. I would highly encourage that however this task force gets finally decided, that we encourage urban interests to participate somehow, even if that, again not sitting at the table, but that they should be giving their input and be a part of the process. Unfortunately, if you're going to have every single interest represented, this task force

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could actually become 30 or 40 people, and then it becomes unwieldy. So the key is, both from an NRD perspective and from an urban perspective, how do you get that input? And a thought is, and it's worked in other task forces or groups, that once you do have a plan that you do take it out and get feedback. So you could visit communities or visit the League of Municipalities or go to their annual convention and present this and get their feedback and input. So, I mean, it's...I'm just throwing out ideas and thinking off the top of my head, but it's very important that we get their input and their feedback in the process. [LB517]

SENATOR SMITH: And the size of the task force, as you indicated, is a concern because it can get too large. Do you have any insights as to where that should be capped? [LB517]

KIM ROBAK: I don't. Obviously, the task force of the water... [LB517]

SENATOR CARLSON: Republican Basin. [LB517]

KIM ROBAK: No, the...well, you had the Republican River Sustainability Task Force, I think, at 22 members and the Water Policy Task Force had 40-some members. I think the real key is if we want to get something done in a short period of time, that the more people you have the more unwieldy it becomes. But...but, I also think the more the merrier. I mean, my personal belief is that everybody ought to have an opportunity to be at the table. Even if they're not sitting directly around that table, they should be in the room and have an opportunity for feedback because they will ultimately give their feedback, and you'd rather have them do it in the room than hear at the hearing giving testimony against whatever it is that is decided upon in that task force. [LB517]

SENATOR SMITH: Thank you. [LB517]

SENATOR CARLSON: Any further questions? Okay, Kim, thank you for your testimony. [LB517]

KIM ROBAK: Thank you, Senator. [LB517]

SENATOR CARLSON: Next proponent. Welcome, Duane. [LB517]

DUANE HOVORKA: Thank you, Chairman Carlson. My name is Duane, D-u-a-n-e, Hovorka, H-o-v-o-r-k-a, executive director of the Nebraska Wildlife Federation, and pleased to be here today before the Natural Resources Committee. The federation's been involved in water issues back since 1970 when the federation was first created, and among other things, I served for a time on that same Governor's Water Policy Task Force that you heard about. And it was very clear to me at the time that though there was difficult but consensus agreement on the LB962, on the legislation that came out of

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the Task Force, there was also that same agreement on the need for a dedicated funding source. And, in fact, at the time, a number of the participants of that task force conditioned their support for LB962 on there being that kind of dedicated funding source. And so, as you know, the history was we didn't get the funding source so we're all back here today. We certainly support the concept, and we just...I have really four things to share with you about it, about the bill, and I'm looking at the amended version. So first is, we think it's critical that water quality be included, the needs and the solutions...the need for solutions and funding for water quality is certainly just as huge with respect to water quality as it is for water quantity, and bringing the two in also brings us constituencies from across the state. So we appreciate that that was included in the amended draft and we think that's critical that that remain in there. Second, we think the bill should include all of the beneficial uses, whether it's irrigation, municipal, industrial, recreation, fish and wildlife, those in the statutes are all beneficial uses of water in the state of Nebraska. We think you can't look at just one in isolation because they all affect each other. If you lock something up for use upstream, all the other uses downstream can be affected. So we think that's really important. It appears the bill as drafted, the amendment as drafted, is broad enough to make sure the task force will be looking at all of those different kinds of beneficial uses and the different projects and programs that could affect them. So we appreciate that. Third, we think the task force needs to be broadly balanced and needs to reflect all of those specific beneficial uses. And so, specifically, I would echo the comment that Dave Sands made, which is on page 2 in that Section 2(c), that we change that language to wildlife conservation for that stakeholder instead of resource conservation because that would then reflect the specific, the fish and wildlife beneficial use and there would be one person at least on the task force with that kind of expertise who could bring projects and help other members of the task force understand the importance of those projects as they consider them and prioritize them. And fourth, we think the bill needs to make sure to look at all of the kinds of solutions that are available. At the time that LB962 was passed, at the time of the task force, and I hope it continues until today, there was broad consensus that in at least some parts of our state we're simply using too much water. And the solution isn't just retiming what's there, because there isn't enough. That part of the solution is reducing our consumptive use and that can be done with municipalities, that can be done with industries, it can be done with agriculture, but I think that's a solution that I don't see spelled out in the bill. And so we think it's important that you add perhaps an additional category that would deal with water use efficiency, conservation, and reductions in consumptive use. And I can...just some language off the top of our head, we think it is important to look at those kinds of opportunities, whether it's buying out water rights or moving towards less water...less water use in crops or whatever. And the second suggestion there brings it back to the question of our water quality and the solutions for water quantity aren't quite the same and not as applicable to water quality. And so what we suggested is, in the language at the end of that section where it talked about compliance with interstate compacts, that you add compliance with federal and state water quality standards. And that would allow those kinds of water quality projects

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to be considered as well. So those are my comments. I appreciate the bill and appreciate all the work that's gone into it. [LB517]

SENATOR CARLSON: Okay. Thank you for your testimony. Senator Haar. [LB517]

SENATOR HAAR: Duane, thanks. Your speciality is grass-roots organizing, so how...this...none of this will work if in the end we can't get every Nebraskan to see their benefit in this. Just speak a little bit about how you think we...I don't know if that's part of this task force's job to look at the PR component later or whatever, but... [LB517]

DUANE HOVORKA: Yeah, and I...probably more of a policy wonk than an organizer, but I think you're exactly right. I think to have a broad-based funding source to...that the senators can approve that the people in Nebraska can support, we need that kind of broad-based education, so the people across the state understand the need, understand the dollars that are required to meet that need, and understand, you know, why there's such a compelling need to do what we're talking about doing in these bills. And so that's definitely a big part of the public education effort that's got to go hand in hand with the effort to identify the needs. [LB517]

SENATOR HAAR: I mean, because anytime we're looking for a new source, and this will be quite a large amount, I would expect, \$50 million whatever, anytime we're looking for a new source, either you have to cut other things that other people feel are needs, or we have to somehow tax people more. [LB517]

DUANE HOVORKA: Exactly. And I think you've heard it today and you've heard it before that, you know, water is such a critical need in this state that we need to recognize it...need to put the dollars, you know, put our money where our mouth is and understand that it's, you know, just as important as roads in terms of our infrastructure, maybe more important, just as important as the other things that we do in this state that we fund and so I think you're exactly right. [LB517]

SENATOR CARLSON: Senator Johnson. [LB517]

SENATOR JOHNSON: Thank you. We're talking about the creating the task force, maybe there's a better name, but we're also talking about funding it. I think in order for us to get the funding or sell the funding, we've got to be able to explain how this is going to come together, what type of structure we're going to have. And as you made a few comments, I wrote down three or four different points, quantity, quality, conservation usage, preservation, holding back water in flood years, and whatnot. Do you think it would be a decent structure to have a focus group on quality with that...the people with that expertise from different interest groups to be one sub and focusing a task force in that manner so that we get the expertise in quality and expertise in preservation, thinking together, representing all of these other factors, and that's where you get

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subcommittees and you get more people involved? [LB517]

DUANE HOVORKA: I think that...if I'm hearing you right, I think that makes sense that this task force you could have a water quality subgroup of that that would be the folks that are most interested in...whether it's municipal folks who are interested in the water quality coming down the river or the folks who deal with it out on the land in terms of ag practices and municipal industrial use and things like that. It makes sense to me. [LB517]

SENATOR JOHNSON: Thank you. [LB517]

SENATOR CARLSON: Senator Schilz. [LB517]

SENATOR SCHILZ: Thank you, Senator Carlson. Duane, thanks for coming in today. And I want to piggyback off a little bit what Senator Johnson said. You talk about priorities and you talked about water quality, and I agree that that's extremely important. Does quantity come before quality? [LB517]

DUANE HOVORKA: I think you have to think of them together and in part, because they affect each other. And, you know, the quantity of use that's available to a city when they're, you know, trying to pump water is greatly affected by the quality of that water and what's in it. [LB517]

SENATOR SCHILZ: Right. Yeah, and we all know this too, the more water you have, usually the better quality it is. [LB517]

DUANE HOVORKA: Yep. [LB517]

SENATOR SCHILZ: And so, I just want to make sure that we...that we're thinking about this in a proper fashion. And then you also...you also mentioned that we pump too much water and that we need to have a reduction in consumptive use. And I just want to make sure that we're not looking at this bill as a way to cut people off. I firmly believe that it's not necessarily that we pump too much water, but more, it's that we haven't managed well enough to give everybody what they need to pump. And I say that is because...and I understand that there's certain areas where we've got certain issues, but there's other areas that are doing quite well and have increased not only groundwater, but what goes on there too. And I think...I think that we shouldn't have a...and this is where a lot of this research has to come into play. Do you believe that there's other ways of getting to equilibrium and, quote unquote, whatever you want to call it, sustainability that has other management scenarios other than just restricting use? [LB517]

DUANE HOVORKA: There are lots of ways to get to the solution. And I think of places like Frenchman Creek and Pumpkin Creek and some of the places where there's a...you

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know, there's surface water rights where you used to get your surface water and now you don't. And so I think there are in the overappropriated parts of Nebraska, we have some clear problems and I think one solution, I think, one solution is to reduce the consumptive use. There are different ways to do it and I think LB962 contemplated that some of that could come through regulation by the DNR, by regulation by the NRDs, but some of it would come frankly with, by buying out folks who were willing to make changes or by buying on farm conservation. And that was the piece that didn't get funded, and in part that to me is the failure to the extent...I think LB962 has been a tremendous success in a lot of ways. I think the big failure was when the state refused to come up with the money to help the NRDs reduce consumptive use on a voluntary basis with incentives. They were not nearly as willing to say, you know, we're going to put the screws down on how much you can use, because that, I thought, was part of the deal would be that all of that would be used. [LB517]

SENATOR SCHILZ: You don't believe that the NRDs have... [LB517]

DUANE HOVORKA: Oh, I think they did. [LB517]

SENATOR SCHILZ: Okay. [LB517]

DUANE HOVORKA: I think they have. I think they haven't...I think they've been very reluctant to do it in part because I think there was this promise, if you will, that there would be funds to take care of the folks to buy them out rather than doing it all through regulation... [LB517]

SENATOR SCHILZ: Right. [LB517]

DUANE HOVORKA: ...and because we haven't done that, and we've expected the NRDs to fund it all themselves and to do the regulation themselves on the groundwater, I think that's...I think that has caused some problems. [LB517]

SENATOR SCHILZ: As you talk about the availability of water, and things like that, as you look at this, then, and saying what you've said previously, should part of what this committee looks at be what states upstream are doing and whether or not they're providing enough water coming across the borders in our river systems and stuff? Because what I don't want to see happen is we have to do regulation for other people's sins. And I just wonder, do you believe, then, that if we're going to regulate our own folks and restrict them from pumping or restrict them from everything, are we going to take a hard look at states like Colorado, Wyoming that have upstream users that may be overusing their water as well? [LB517]

DUANE HOVORKA: I don't disagree with what you're saying. I will say that I think the beauty of the bill is that it's not about regulation. It's about finding the funding to do the

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things that need to get done. And so that's, in part, why I think this is the missing piece. [LB517]

SENATOR SCHILZ: Then, I think...then let me ask you this question. If it's not about regulation, then why would we want to put in there, right off the bat, that it's about reducing consumptive use? Because we need to make sure that we have the flexibility to do what we need to do, and I just caution that because I think you need to be careful because it takes flexibility out of what you're doing. [LB517]

DUANE HOVORKA: That's a great point and I think probably if I could have that word back again, I would say incentives for reducing...for conservation. I'm not talking about regulation. That was not my intent. [LB517]

SENATOR SCHILZ: I appreciate that. Thank you very much. [LB517]

DUANE HOVORKA: I think you're exactly right. [LB517]

SENATOR SCHILZ: Okay. Thank you. [LB517]

SENATOR CARLSON: Okay. Senator Brasch. [LB517]

SENATOR BRASCH: Thank you, Chairman Carlson, and thank you, Mr. Hovorka... [LB517]

DUANE HOVORKA: Uh-huh. [LB517]

SENATOR BRASCH: ...for your testimony. I'm...there's such an array of water groups that you brought up and the interest and...from other testimony here, and I'll ask you the question I asked Mr. Rempe. Who do you see being the facilitator of so many water interests? [LB517]

DUANE HOVORKA: The facilitator for a group like this? [LB517]

SENATOR BRASCH: For a group like this. Who would sit at the head of the table here? [LB517]

DUANE HOVORKA: The head of the table. [LB517]

SENATOR BRASCH: Conduct business. [LB517]

DUANE HOVORKA: The ones that I've been affiliated with that have worked the best, and that includes the negotiations for the Platte River Recovery Program as well as the original Governor's Water Policy Task Force, actually brought in an independent

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facilitator who had no, you know, no skin in the game. Their job was to facilitate the process and nothing more. And I think that is a fairly successful model because that...then they don't come there with an agenda other than to help everybody succeed. [LB517]

SENATOR BRASCH: So what I'm hearing is there is no neutral party at a task force. You bring...you'd pay someone to come and be neutral and oversee the activities, is that correct? [LB517]

DUANE HOVORKA: I think that's a model that works better than asking one interest or another to chair it. [LB517]

SENATOR BRASCH: Very good. I have no other questions. Thank you. [LB517]

SENATOR CARLSON: Okay. Any further questions? Seeing none, thank you, Duane, for your testimony. [LB517]

DUANE HOVORKA: Thank you. [LB517]

SENATOR CARLSON: Next. Welcome. [LB517]

MARIAN LANGAN: Good afternoon, everyone. I'm Marian Langan, M-a-r-i-a-n, Langan is L-a-n-g-a-n. I'm the executive director of Audubon Nebraska. Congratulations, Senator Carlson, for bringing forth this important legislation and thank you to the committee for considering it and holding the hearing today. We're delighted to be here in support for all of the reasons that have been said today. The timing is right, we need it, it's important for now and for the future. We've got, you know, problems just continue to grow so we're very pleased to be here in support, and I really liked Senator Kolowski's idea of calling it a strategic plan because that's exactly what we need. We're not going to be able to get to the funding part of this if we don't get all of this resolved. And I appreciated Ryan's comments about it being easier to get that sorted out when the money's not in the mix yet. Let's get that done and move forward. So thank you very much. [LB517]

SENATOR CARLSON: Okay. Thank you. Any questions? Thank you for your testimony. Next proponent. Welcome, Wes. [LB517]

WES SHEETS: Good afternoon, Senator Carlson and members of the Natural Resources Committee. My name is Wes Sheets, spelled W-e-s S-h-e-e-t-s. I'll admit right up-front that I'm a nonnative Nebraskan, but I have been here the last 47 years as a working fishery biologist part of the time and more recently, I guess, you'd call me a loafer, I'm not sure. However, one of the things I wanted to identify is that I am speaking on behalf of the Nebraska Division of the Izaak Walton League. We're a conservation

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organization that's been around for 88 years here in the state of Nebraska. We have 18 chapters from Imperial to Wayne and everywhere in-between. We're vitally interested, of course, as sports persons, hunters, fishermen, other conservation of wildlife resources, the interest that we have in water and the water resource. More recently, I've gained a great insight by being invited to sit on the Integrated Groundwater Management Task Force planning team for the local NRD. And everything that this bill speaks to is identified here, I think, in our local simple little task force. And so, I just want to thank Senator Carlson for bringing this legislation. One of the things that I have identified over my history in this state is that when there are complex continuing resource issues, there needs to be a continuing funding source to treat those issues and to take care of those issues. So I'm ecstatic about this as a precursor to a dedicated funding source. Once we've found the road map and, of course, LB517 to me is an excellent beginning to create the road map to identify what we should be spending money on in the future, in a continuing vein, so that it is a sustainable resource to take care of our citizens and our citizens' needs. Obviously, fishing is an important part but all the other things. And I just wanted to share one other comment. I've recently become very intrigued with the...I guess, it's a paucity of information in what's going on below the very surface of our soil in relation to agriculture. And I have a good friend who is over in the state of Illinois, but various universities, including the University of Nebraska and universities in that area of the country and around the world, I guess, have very convincing me...or have very much convinced me that there's a tremendous amount of knowledge to be learned that will provide agricultural sustainability including water utilization by the very microbes and all of the little things that are in play underneath our surface of our soil. I firmly believe that the future of feeding the world will be an easy thing to accomplish once we understand that thing. Of course, water being one of the key elements of that under soil world is going to be important to our future. So I would just urge this committee to advance the makings of LB517, and it's a work in progress. And I think we all understand that it needs to be flexible, but it needs to be continuous and it needs to have a continuing funding source. So that's all I wanted to say. Thank you for the good work, Senator Carlson, and we certainly appreciate this legislation and would urge you to move it. [LB517]

SENATOR CARLSON: Okay. Thank you, Wes. Any questions of Mr. Sheets? Seeing none, thank you. [LB517]

WES SHEETS: Thank you very much. [LB517]

SENATOR CARLSON: Now, this is my bill, I don't want to shut anything off. I'm interested in how many more proponents do we have? Okay. Good. Welcome, Ken. [LB517]

KEN WINSTON: (Exhibit 9) Thank you, Senator Carlson. Good afternoon, Chairman Carlson and members of the Natural Resources Committee. I'm appearing on behalf

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of...my name is Ken Winston, K-e-n W-i-n-s-t-o-n. I'm appearing on behalf of the Nebraska Sierra Club in support of LB517. And I understand there is an amendment. I haven't had a chance to look at it yet, so I don't really have comments. I was shown it just for like 30 seconds, so I don't really have comments. My comments are based upon the bill itself. And I guess I just wanted to indicate that we would like to see some changes and perhaps some of those have been addressed by the amendment already. First of all, I start off my testimony with the statement, water is life, and I recall Senator Carlson using that statement in a speech that he gave earlier this year, if I recall correctly. And we agree with that. But I originally heard a woman from South Africa at the Water for Food conference use this statement last year, and I guess it's one of those statements that people all over the state of Nebraska can relate to and that they understand, particularly farmers and ranchers. It's just something they know because of the fact that that's the way that their...they know that's going to feed their livestock and they have to have water for their livestock. They also have to have water for their crops. And I appreciate the fact that LB517 speaks of the effective conservation, sustainability, and management of water resources. However, one of the other things that this woman from South Africa also said was that water could be death if it's contaminated. And then she proceeded to give an example of, and talked about the situation that she was familiar with, where people had drunk contaminated water in her country and many people had died. Now, thankfully, we don't have much of that in our country. But we do have, fortunately, good groundwater resources and good surface water resources and maintaining the quality is really important. So we believe that there also needs to be a focus on the quality of water as well. And we believe that there should be provisions that deal with things like risk analysis and contamination prevention related to both groundwater and surface water. And there are some experts...there's a number of experts at the university who could be consulted about that. And then there's a couple of things that...that I've been monitoring some other things so I did not catch the earlier testimony. Some of these things may have been mentioned, but the fact that Nebraska has one of the greatest freshwater aquifers in the world, I think there needs to be a special focus on the Ogallala Aquifer and how do we protect that, both its quantity and its quality because not many people...well, nobody else in the United States has one like it and very few other places in the world have anything remotely like this. And we need to really recognize that as an important resource and make sure that it's...that it's protected and that it's utilized in an effective way going forward. And then, I guess, whenever I hear about water, I always think about things like making sure that streams continue to flow. And so we need to think about how does that, all of that fit into here as well. I mean, it's not just a matter of, well, are we going to dam up all the streams? Obviously, I don't think that's a solution either. So we need to think about those things as well. And I guess I would basically support the things that Duane Hovorka said that it should be...we should look at all beneficial uses, that the committee should be broadly balanced, that all solutions should be considered, and that we need to think about compliance with all of the relative water quality...federal and state water quality requirements. [LB517]

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SENATOR CARLSON: Okay. Thank you, Ken. Any questions of the committee for Ken? Seeing none, thank you for your testimony. [LB517]

KEN WINSTON: Thank you. [LB517]

SENATOR CARLSON: Next. Welcome, Roric. [LB517]

RORIC PAULMAN: Roric Paulman, R-o-r-i-c P-a-u-l-m-a-n. Thank you, Senator Carlson, for the opportunity today and committee members as well. I wear a lot of hats and one of them has been involved in educating myself because I didn't know what transmissivity was. I didn't know hydrologically connected, I didn't know what adaptive management and conjunctive management, and I didn't know what conflict was amongst ground and surface waters until I got involved in this. And so I took a step and have taken some time to educate myself. Still don't know it all, but it's brought many hats, but I come here as a producer, but I also come as a Nebraskan. I farm currently in the Upper Republican, the Middle Republican, and also the Twin Platte NRD. I grew up with surface water from Central's system from NPPDs, so it's been a part of my life pretty much since I was born. And yet, when I sat here and finally heard a great suggestion, a strategic plan? Holy smokes. That caught me. I've been searching, you know, Water Policy Task Force and, you know, how do we do this. And what an opportunity, a goal and a vision for what water should look like in Nebraska. We've missed the boat. We've missed it often. We've created great systems, we've created great interactions, we've got great people. Number one irrigated state. Number one in production. A lot of irrigated crops, and more and more the rest of the nation is coming here to grow those crops and do them well. And what we've done is gotten better and we're going to continue to get better, but it's not going to be without some help. The assumption that a producer or an irrigator or a surface water guy is not interested or is part of the problem, we all are. But the understanding that we don't care, that we don't believe in streamflow, that we don't believe in the environment, that we don't believe in endangered species, we evidently haven't come to the table often enough to say and state those kinds of thing. Finally, a bill. Finally, the opportunity to create a funding source that makes some sense. Do we have some questions about representation? You know, western Nebraska, yeah, we kind of wave the flag. How do we do that? How do we participate? How do we get represented? And part of that is our own fault. And yet, can we do this? Is this doable? This is the right idea. This is the right concept. All the players, everybody that stated here today has...it's awesome. And that's the kind of interaction...I was part of the overappropriated portion of the basin for the Platte River. And it was a consensus builder and we hired a...or the state hired a coordinator, and it was thumbs up, thumbs down and thumbs to the side, and I didn't necessarily agree with that at first, and yet we got something done. We came to consensus, not everybody liked it. We didn't resolve all of the problems, but it created an opportunity year in and year out to readdress those. I sit right next to Gerald Gentleman Station and they put

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together a very comprehensive plan when they developed their well field. And I didn't particularly like that because I live right next to them, I irrigate next to them, and it was an interesting concept that well field would be able to keep the Gentleman Station running. And so with the leadership of not only my neighbors, but also of NPPD, we worked together for over two years to develop a plan that...we talked back and forth and once a year we met and we tried to work out these differences, but more importantly is, what was the best benefit for not only the resource, but also for energy. And water is one of the things and energy are hand in hand. And so with that, I commend Senator Carlson and many others that...I'm here as well too, this is the right thing to do. This is the right direction. Thank you. [LB517]

SENATOR CARLSON: Okay, Roric. Thank you for your testimony and I appreciated your presentation this morning. I had to leave early because I presided at our session, but I really enjoyed what I heard. Questions of Mr. Paulman? Yes, Senator Schilz. [LB517]

SENATOR SCHILZ: Thank you, Senator Carlson. Roric, thanks for coming in today. Thanks for making the trip. I've been out there and seen a lot of the work that you guys are doing and it's amazing. And I guess my question for you is, how did you know...how did you come up with the ideas that you came up with? I mean, how did you know that you could look at the transmissivity of what a plant is doing and figure out when it needs water and when it doesn't, or that you could...or that you could put the probes down and all that? I mean, did somebody just tell you this is the thing you do, or is it trial and error, how does that work? [LB517]

RORIC PAULMAN: Well, first it goes to the resource first and that was the level of awareness. I participate in two districts that are highly regulated, and so it was...if we want to survive, if we want to continue the economic model of our business plan, we had to figure out how to do that. And initially it was interactions and UNL and others...there's a whole host of stakeholders that have the ability and have contributed to that, and so I just thought it was a no-brainer to pull it together and make it a model. Let's take that out and the NRDs, the same thing. But we don't talk very well. We don't...where's that place that we get those conversations done? There's plans and actions that are happening in here in this basin, and up here and on the Missouri and in Colorado, but we didn't do all that. So all I tried to do was make myself available to be able to capture that. Whether it's a nature conservancy or...it doesn't matter. Everybody has an idea and a concept. And so how do you get that out and what's best for the state? And so it wasn't any one particular essence. It was more, what's best for the state? What's best for the resource, surface and groundwater both? [LB517]

SENATOR SCHILZ: Okay. Thank you. And then, you know, as you're doing, I just curiosity and you may know, may not know, and you may not want to tell me, on some of those pivots where you've been doing a lot of this intensive management over the last

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few years, last year during the drought, how did you utilize that and then what were the results? As quickly as possible. [LB517]

RORIC PAULMAN: Quickly. (Laugh) You've hung around me way too much, Ken. Thank you, though. (Laughter) One point seven three inches of rain during the growing season, and I...but I want to compare it to 2011 and that's really probably a fair association of the technology, and the ability and a lot of resources that are in this room, pulled together to do it, and a lot of the savings are before and after. But the first irrigation and the last irrigation are the toughest, no matter what crop you're in. And so in that particular year where precip is your supply, it...there's only three sources. You have the ground, you have precip, and you have supplemental irrigation whether it's surface or groundwater. And so those are your sources, so you have to sort that out. In 2012, with 1.73 inches of rain during the growing season, corn crop takes 20-some, soybeans take 20-some, wheat takes 18, and those numbers may not be exact, but you had to pump it. And so it really wasn't a...it wasn't a structure of this thing that was telling me that I was doing it wrong, but we were able to capture some of that and back out some, and when we were able to look at those kinds of opportunities, then we could actually take advantage of them where in the past you couldn't. And that's the knowledge, that's the research, that's the component that I'm most excited about. I've been a part of this effort behind LB517. I just think that it is important that we engage the same people and the same concepts that...to develop that kind of an effort because that is what's best. [LB517]

SENATOR SCHILZ: Yeah, thank you. And I think you're exactly right. And I think that Mr. Hovorka before says if the proper incentives are put out there, and I do say incentives, the producers will get to where we need to be. Do you agree with that? And if you don't, that's fine. [LB517]

RORIC PAULMAN: I agree with that, wholly. You know, interestingly enough, and I'm just going to very quickly talk about the Middle Republican because I took my son to the meeting at the Upper and all at once...we have a target and we've operated in the Middle Republican for 27 years. And I've saved 100 inches of water on one particular field, one field. I have 100 inches of carryover and as a result of conservation and crop rotations now. Not a lot of guys do that, but that's okay. But in terms of how you...I've invested to do that and some guys chose not to do that and that's okay. Well, now, now the regulatory side has to ratchet it down so far that now we're all holding our hands up, now what do we do? Now what happens to our small schools and our post office and our front street businesses and everything else that we can't...we start to lose those business receipts or whatever? And I think that with this kind of an effort that you start to establish a comfort level and a trust, probably more than anything, a trust about what the state's going to do and what their involvement is and what their leadership is, that you can start...that the guys don't necessarily need incentives as much as they need recognition for the effort that we'll invest because it's our livelihood, it's our paycheck. It

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is...we write the payroll checks. I don't have to ask anybody to do that, so I'll want you to establish that trust. You put that in a place that we can grow and invest in a strategy, in a long-term plan, a goal and a vision, a strategic plan. [LB517]

SENATOR SCHILZ: So, Roric, what you're telling me is that if done properly, the incentives are already within the management of the resource itself if you do it correctly. [LB517]

RORIC PAULMAN: Absolutely. [LB517]

SENATOR SCHILZ: Thank you very much. [LB517]

SENATOR CARLSON: Okay. Thank you. Yes, Senator Kolowski. [LB517]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Mr. Paulman, thank you for your comments. I think it's about five minutes ago you went through a listing of all those things that have impacted you from the university studies and what you've learned and from everything you've touched. And I just thought it was an amazing listing of things that you have been impacted by. And I think I tried to catch a summary of that, but to me it sounded like continuous learning to seek improvement, respect of the environment, to maintain sustainability. You encapsulated that so beautifully in your life and in your work and your desires for the future and I want to thank you for that. I thought you did a wonderful job with that. [LB517]

RORIC PAULMAN: Appreciate that, Senator. [LB517]

SENATOR KOLOWSKI: Okay. [LB517]

SENATOR CARLSON: Thank you. Yes, Senator Brasch. [LB517]

SENATOR BRASCH: Thank you, Mr. Chairman, and thank you as well, Mr. Paulman? [LB517]

RORIC PAULMAN: Uh-huh. [LB517]

SENATOR BRASCH: And I did attend your presentation and I would love to have your Powerpoint because I tried to take little notes in my iPhone while you were speaking and I learned many things, strip tillage. I mean you had a lot of different valuable tools, I thought, for water conservation making the most of every drop of water. And did a task force bring you to this knowledge? It sounds like many elements or the incentive is the paycheck. I heard you say that, but what do you see a task force of 50 people all embracing, you know, out of the... [LB517]

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RORIC PAULMAN: I...I guess I have not given any thought to structure as much as how do we get to square one first, and then evaluate that. There are a lot of people in this room and in this state that would obviously have some bearing on what that should look like and how it should operate. But, you know, it...(laugh)...it maybe starts with the strategic plan and a goal and a vision and then out of that comes, you know, how many is there. That would dictate and maybe then it is subgroups. I don't know. There's a whole host of things. I'm a former NRD board member. I...I mean, there's a...I just...I can't answer that very well and I appreciate you asking that because as you...as we address that, as we look at the representation, that's a tough one. You know you ask us, we operate in it every day, every day in allocations and what we got to do next, and some uncertainty to what it's going to be. And as does Central Nebraska Public Power next to us and what is that uncertainty, and how do...but why aren't we talking about it all the time and what's the forum and what is the dollars that should be invested and then maybe that's the group that works together, maybe that's ten. I don't know. But those are the kinds of efforts that I see that come out of this, but if we don't commit to it, we're going to set ourselves back a long ways. [LB517]

SENATOR BRASCH: Very good. Thank you. [LB517]

SENATOR CARLSON: Okay. Any other questions? Okay. Thank you for being here. Thank you for testimony. [LB517]

RORIC PAULMAN: Thank you. [LB517]

SENATOR CARLSON: Next. Welcome, Tom. [LB517]

TOM SCHWARZ: Senator Carlson, members of the committee, I'm Tom Schwarz, T-o-m S-c-h-w-a-r-z, a farmer from Bertrand, Nebraska. I've been around this business for a little while. I first testified before this committee in 1979 due to encouragement by Senator Maurice Kremer, who, of course, has been the father of a lot of our legislation that started in groundwater in particular in this state. I really thought a lot of Senator Kremer and if I was to fault him today I would only fault him for maybe having too much confidence in our ability to manage our water at times, but a great man, certainly. I have worked on the relicensing of Lake McConaughy and Kingsley Dam. In that process I've been involved somewhat on the Republican River issues. In fact, Senator Brasch brought up something that I wanted to mention which was in 1990 I rode from Topeka, Kansas, to Lincoln with David Pope who was then head of the Department of Natural Resources for Kansas, and the entire trip we discussed the likelihood of a lawsuit with Kansas. And this was before the LB108 group was ever even thought of. So that issue goes way back, well beyond that task force or group that put that together, I should say. I was also a member of the State Water Policy Task Force and I was, in fact, the last member to agree to consensus on LB962 and that was due to my concerns over this very issue of funding. I did not feel the funding was going to be there and LB962 was

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completely designed based on the ability to fund it. Without the funding, you basically have to go back and start over. You just got to chuck LB962 and say, okay, we're just going to regulate our way out of this mess. And it's going to be tough because regulation isn't cheap, regulation isn't free. You know, anytime I hear a legislative body talk about regulation, it makes me a little nervous because sometimes that looks like the cheap way out of things, but it isn't always. But on the bright side, as I was coming down here today, I was thinking about the stages of grief and how that kind of compared to the situation we've been through in water. You know, the first stage of grief is denial. We don't have a problem. There's no connection between surface and groundwater. You deny everything. Well, the second stage of grief, anger. Well, you can't take my water, that's my water. Anybody heard that yet? Bargaining. Well, maybe, I could maybe put a meter on that well if, you know, it saves me from having to be regulated. You know, I can make some deals here. And we've had some of that go on. Depression. Well, that's kind of where we are now. (Laughter) Most of the people here in this room have been around this game for quite a while and, you know, you can probably tell, they're tired. And we have been at this table many, many times over the years and it is frustrating not to see a lot of progress sometimes. Although, you know, in honesty, there was a lot of people here that 20 years ago were at each other's throats and today they're all here working together. I think that's a very positive statement for the state and where we're going. From depression, the last stage is acceptance, and maybe that's where we are now. Maybe we are at the point where people are ready to accept, yeah, this is going to cost us some money, and we do have some serious problems that we have to deal with, but I guess maybe we should make this a priority. But I will say for my part, I'm tired of hearing some of our political leadership talk about how important water is, but when it comes time to take care of it, and I'm talking about money, it doesn't seem to happen. With that, I guess I'm finished. [LB517]

SENATOR CARLSON: Okay. Thank you for your testimony. Any questions of Tom? Seeing none, thanks for coming. Welcome, Mike. [LB517]

MIKE DELKA: (Exhibit 10) Thank you. Honorable Chairman and members of the Natural Resources Committee, my name is Mike Delka, M-i-k-e D-e-l-k-a, and I'm the manager of the Bostwick Irrigation District in Nebraska. The board of directors desires to go on record in support of LB517. The district believes water is one of the greatest resources of the state and the district and is in dire need of consistent guidance if it is to be sustainable in the future. The district believes the declining water tables and reduced streamflows are not consistent with sustainability and the long-term needs of the state. Our district strongly believes and invests in the conservation of water. Although assistance has been declined by the state, our district has made major investments in the infrastructure by converting from open ditches to buried pipe, installing gate automation, and installing variable frequency drives. The result was that while 2012 was a record drought year with record water use, the diversions of the district ranked 23rd from the least, out of the last 56 years of operation. Next year it is our intent to conserve

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even more. We believe true conservation benefits beyond those who conserve and beyond the year that it is done. And thank you for your opportunity to comment and thank you for pulling this bill forward. [LB517]

SENATOR CARLSON: Okay. Thank you. Any questions of Mike? Seeing none, thank you for coming. Welcome, Lee. [LB517]

LEE ORTON: Thank you, Senator Carlson. Members of the Natural Resources Committee, my name is Lee Orton, L-e-e O-r-t-o-n. I'm here this afternoon to add to the list of very wide interests in seeing this legislation move ahead. I'm representing the Nebraska Water Coalition this afternoon. That organization is a group that works together, including the Nebraska State Irrigation Association, which is responsible for much of the surface irrigation project activity in the state, and the Nebraska Water Resources Association, which is an organization of water users and water interests ranging from municipal users to irrigators to public power districts to some of the natural resources districts across the state. We're here to support this legislation today. We believe that this is, in fact, perhaps the first opportunity that we've actually had for the door to be open on water financing by the state of Nebraska. I've been around long enough to have watched this process get to that door and find it locked all too many times over the many years that I've been involved in this activity since I reached adulthood, I guess, and that's a long time ago now. The state of Nebraska has chosen not to finance many opportunities to do these kinds of things although they have funded some, but very nominally. And it's important that Nebraska invest in its water future and that's what this is all about. And we believe this legislation is a good starting point and we've heard many comments from all of the testifiers here this afternoon on the attributes of what this legislation can do. We need desperately to develop some kind of a strategic process, a plan if you will, but a methodology to get there to determine what kind of projects are appropriate and where to place them in the priority process. And that, I think, is part of the task of this group. The task force will accomplish those things and they'll also need then to begin prioritizing many of the projects that have been inventoried and listed over the last several years by the hard work that this committee and other members of the Legislature have done with both LR314 and with LB229. Those are all important parts that have gotten us to the door and I think gotten the key into the lock and have actually gotten the door open a little ways. I've expressed some concerns to the senator about the size of the task force. I think we need to be very careful not to let it get too big and I don't know whether it's too big now or not, very candidly. But I do believe very firmly that whoever ends up working on this task force needs to be something more than just a participant in the discussions. Whoever is on that task force needs to get their boots dirty. They need to get their hands dirty and they need to get down into the trenches and find out the details of the projects and the details of the process that need to be done to accomplish it. Almost facilitators themselves, I think, frankly to make this work, especially in the short time that you have to get the job done. And so I think you need to be very careful not to let the task force

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get so large that people begin thinking that they can just come to the meetings and participate in the discussions without having done a lot of homework before they get there. So I think that needs to be discussed very carefully, and I think you need to be sure that you give the kind of guidance and the kind of financial capability for those people to be involved at that level, in addition to perhaps a professional nonbiased facilitator to help bring all of that together. I think it's also important to have a working group of many of the people perhaps who have testified here today sit down with you, the members of the committee, to make sure that you have given this task force all of the tasks it needs to accomplish clearly in the legislation, and then make sure that you have given them the authority to do those things so that we don't leave something out that we decide in the eleventh hour, my gosh, why didn't we think of this? I've read the draft...amendments to the bill. I'm not sure I know exactly what else needs to be in there at this point, but I think we need to be very careful to be sure that all of those things are in there. So this legislation is an important step in the process. Senator Haar has asked the question about where we go at the end, and I think in order to know where we go, we need to go through this process now. It's critical that we talk about how we make this system work. It's critical that we keep the door open finally to deal with the importance of water project investment, water investment in data gathering, water investment in science, water investment in the strategic plans it makes to make sure that Nebraska does the job that it can do. We have a wealth of water. We need to protect it. We need to use it wisely and this is a mechanism to get us there. Thank you. [LB517]

SENATOR CARLSON: Okay. Thank you for your testimony. Any questions of Mr. Orton? Yes, Senator Smith. [LB517]

SENATOR SMITH: Thank you, Mr. Chair. Mr. Orton, thank you for your testimony. You mentioned the role of a neutral or impartial party, and my mind jumped to just the prioritization methodology in trying to come up with something objective to rank these projects. Is that kind of what you were thinking in that particular role or any particular thoughts on that? [LB517]

LEE ORTON: I think it's going to take a person that doesn't have a vested interest in the outcome from any perspective to help bring all of those perspectives together in that prioritization process. I think everyone who is vested in this task force needs to spend a great deal of in-depth study themselves, but it's still going to take somebody to pull that all together, to put the pieces of the puzzle in the places they belong to get this job done, and a report back to this Legislature to move forward. [LB517]

SENATOR SMITH: I don't want to put you on the spot too much, but examples of someone that could fit that type of a role, or parties. [LB517]

LEE ORTON: Well, I think it's already been mentioned to you that there are some other processes that have been utilized in Nebraska, the task force that Senator Carlson was

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involved in, the Republican Basin used a facilitator. The LB962 process, the Governor's Water Policy Task Force used a facilitator. Those kind of people are out there. Those kind of people are out there who understand water and water policy and don't have an investment in Nebraska's ultimate outcome and that's the kind of person I'm thinking of. I'm not necessarily recommending one or the other of those people, although they still are out there, still looking for work in doing those kinds of things. My experience with them is that they've done an excellent job in that regard. [LB517]

SENATOR SMITH: Thank you. [LB517]

LEE ORTON: So that person's there, or people if it takes a team. [LB517]

SENATOR CARLSON: Okay. Any further questions? Seeing none, thank you for your testimony. [LB517]

LEE ORTON: Thank you, Senator Carlson. [LB517]

SENATOR CARLSON: (Exhibits 11, 12, 13, and 14) Any further testifiers as proponents? Any...we do have letters of support of LB517 from Eugene Glock of Rising City, Geoffrey Ruth of the Nebraska Soybean Association, Brian Barels of the Nebraska Public Power District, and Joel Grams of the Nebraska Corn Growers Association. Do we have any testifiers as opponents? Testifiers in a neutral position? Come forward. How many testifiers do we have in a neutral position? Okay. Good. Welcome. [LB517]

JIM BENDFELDT: (Exhibits 15, 16 and 17) Good afternoon. My name is Jim Bendfeldt, J-i-m B-e-n-d-f-e-l-d-t. Senator Carlson and members of the Natural Resources Committee, thank you for hearing me this afternoon. I sit here as a board member and secretary-treasurer for the Nebraska Association of Natural Resources Districts, presenting testimony today in a neutral position on LB517 and AM501 on behalf of the Nebraska Association of Resources Districts. In my testimony I'm going to provide you with foundational background for the following recommendations to incorporate into the bill and into the report. Please incorporate the term "economic sustainability" and "economic development opportunities" into the bill and the report. Please include representation on river basin management so it follows the state water management plans already developed. Allow the Nebraska Natural Resources Commission to be involved in the process. Allow the sponsors of the projects to be involved in the process. Allow entities and individuals that are already involved in water management planning to be involved. A final report should be a list of sustainable funding options, not just one source of state funds. Allow all the participants to be included in the development of a final report. I want to preface my remarks by thanking Senator Carlson for recognizing that an important step was missed in the review of Nebraska water projects when LR314, the water funding interim study in 2011 and 2012, was left out. That step was to review the projects provided in the report and attempt to prioritize them and also identify

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potential funding sources. The finance needs were all identified for each district, project by project and estimated out over a ten-year period in that report. These are all included in the final report that was provided to the Legislature in December of 2011. That original group included about 50 people that put together the initial report but were never called back as a large group to take the next step. Rather, only a small group of six people were included in the final report and not all six agreed to the report. That being said, in review of LB517 and AM201, it may go way beyond what's needed and might take longer than is allowed to finish the project. Current law requires that each district in the NRDs maintain a groundwater management plan based upon the best available information and shall submit amendments to such plan to the director of natural resources for review and his approval and staff. Current law also requires that each district to have a long-range plan and for it to be updated periodically. For districts that have been declared fully or overappropriated by the department, an integrated management plan has to be developed and implemented. This requires approval by the department and requires that stakeholders and the local citizens are involved with the development and implementation of that plan. In basins where the department has not declared the area fully appropriated, the districts are working with the department to develop voluntary integrated management plans that outline those goals and objectives. Here's one of the main requirements in an integrated management plan. Clear goals and objectives with a purpose of sustaining a balance between water uses and water supplies so that economic viability, social environmental health, safety and welfare of the river basin, subbasin, or reach can be achieved and maintained for both the near term and the long term. Regarding the makeup of the proposed task force, I would suggest that you formulate the group based upon river basin management that is threaded consistently through the water management statutes. The foundation in successful water management is to allow local people to be involved with water management decision of a river basin. Please include the Nebraska Natural Resources Commission in the process. There are years of water management experience that could be tapped into with this group. Current law already outlines that the commission can provide the director with input and comments on state water planning and review process activities as they relate to the overall use of Nebraska's water resources. In that list of the Natural Resources Commission you will find a professional engineer with 45 years of experience in electrical generation; a school teacher with interest in natural resources; a well driller with 44 years experience; a public power district employee with 32 years experience; a city mayor; a dryland farmer; a retired irrigated farmer and cattle feeder with 40 years of experience working on water management; a UNL extension educator; a retired U.S. Army Corp of Engineer manager of Oahe Dam on the Missouri River at Pierre, South Dakota; a manager of surface water irrigation district for the last 28 years; a no-till farmer; a wildlife conservationist; a public power district board member; and a livestock producer. [LB517]

SENATOR CARLSON: Now, Jim, I think...I'm calculating here you got a minute and 20 seconds about to go, so just keep going. (Laughter) [LB517]

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JIM BENDFELDT: Recommended loans and...recommended for funding would be loans and financial assistance. Concepts can be found in LB514 for financing wastewater treatment introduced by Senator Carlson. Additional consideration should be given to his water resources revolving loan fund which was introduced a couple of years ago. Local financing. The occupation tax can only be applied to irrigated districts that are in overappropriated areas. That maybe needs to be revisited and expanded. That's a good source of funding to be considered. Bonding. There are limited opportunities for local districts to manage water and finance water projects. Maybe this should be expanded to all local sponsors to finance projects. General Fund. Current appropriations to the natural resources programs will require local matching. Maybe increase local funding options could be used to leverage the state and local funds. And finally, the Nebraska Environmental Trust. Thank you. [LB517]

SENATOR CARLSON: Okay. Thank you for your testimony. Questions of Jim? Yes, Senator Kolowski. [LB517]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Mr. Bendfeldt, you talked about integrated management plans, and how many have been completed with the NRDs you're talking about? [LB517]

JIM BENDFELDT: There's 23 NRDs. There are ten districts that currently have plans in place with the department. Nine districts are considering voluntary IMPs. The rest of the NRDs are not required at this time, but they are working on some form with municipalities and other forms of integrated management plans. [LB517]

SENATOR KOLOWSKI: So four are outside of that at this current time? [LB517]

JIM BENDFELDT: Yes. Yes. [LB517]

SENATOR KOLOWSKI: Thank you. Second question. What projects are you...you're doing at Central Platte NRD to achieve this kind of sustainability? Could you address that? [LB517]

JIM BENDFELDT: Since the introduction of LB962 and, of course, a well moratorium...the Central Platte, we have about 82,000 surface irrigation acre projects. We have about 1.1 million acres of groundwater wells. Our biggest projects and our biggest effect project right now, we set up a water banking program where we have gone out and purchased water and retired acres. We are working on four surface...in conjunction with, four surface water projects in Dawson County. I need to say, and really stipulate what we're working with them, it was by negotiation, by buying out and retiring some acres by taking the surface water projects, converting them to recharge projects, and allowing them to use groundwater in the irrigation season and using the

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facilities as recharge in the off-season. We did not, other than by direct purchase and retirement of acres, with the surface projects that we have we are working in conjunction with, there was no reduction in our irrigated acres. We did add over 20,000 acre feet back to the river in the Dawson County projects. And 20,000 acre feet is a lot of water. That is the water that eventually will flow by Lincoln. We're also in the process of...we approached Central Nebraska Public Power, we have...we are in the preliminary with a feasibility study to convert a large amount of their irrigated acres if the study goes forward and if it works, to convert them to groundwater use and use another surface water project there for groundwater recharge. It's simply a matter of retiming the water there. And Central has about 116,000 acres in their project, notwithstanding only about, somewhere in the neighborhood of about 35,000 of those are surface project...surface water irrigated acres. The rest are irrigated with groundwater wells. We feel we have an immense opportunity there for recharge. Preliminary studies show we could recharge there of about 100,000 acres...acre feet back into the river. We have instituted multiple programs of conservation. One of our biggest, of course, we've converted hundred of thousands of acres in the last decade from groundwater...from furrow irrigation to pivot irrigation with direct subsidies and payments and incentives. That's been a real water savings. Any other questions, I'd just... [LB517]

SENATOR CARLSON: Okay. [LB517]

SENATOR KOLOWSKI: Thank you. [LB517]

JIM BENDFELDT: I'd like to finish with one comment on a very personal note to me. I've got a 18-month-old grandson. I have several grandchildren, but I've got an 18-month-old grandson that he's my heir apparent, my next farmer. And I want to do everything that I can to protect this groundwater and any possible resource that we have to continue his ability to be a farmer in Nebraska. Thank you. [LB517]

SENATOR CARLSON: Okay. Thank you. Senator Schilz. [LB517]

SENATOR SCHILZ: Thank you, Senator Carlson. Thank you, sir, for coming in today. [LB517]

JIM BENDFELDT: Yes. [LB517]

SENATOR SCHILZ: You talked some, a little bit about integrated management plans and the work that has been done by, not just your NRD, but many across the state. Do you feel, and this is purely your opinion, so, do you feel that through the LB962 process, that the NRDs were given enough tools to work with to come about whatever issue might come up, or whatever problem was out there, to address it and fix it in a good manner, or are there other tools that might be available and could be used or other management philosophies that are out there that could help you further what you need

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to get done? [LB517]

JIM BENDFELDT: You answered part of my question with...or my answer with your question. First off, absolutely not. The, irrigated agriculture is the largest user of water in this state. They're also the economic driver for the viability of the state because of that resource. The natural resource districts have financed that obligation for conservation and to the betterment of the state for a long, long time. The responsibilities need to be shared, as Senator Carlson has prefaced. I don't have an answer. There's a multiple of economic opportunities in this state to fund water projects. The NRDs need help. They can't carry it alone. [LB517]

SENATOR SCHILZ: Thank you. [LB517]

SENATOR CARLSON: Okay. Any further questions? Jim, thank you for your testimony. [LB517]

JIM BENDFELDT: Yes, thank you. [LB517]

SENATOR CARLSON: Next. Welcome. [LB517]

CLINT JOHANNES: (Exhibits 18, 19 and 20) Thank you. Good afternoon, Chairman Carlson, committee members. My name is Clint Johannes, C-l-i-n-t J-o-h-a-n-n-e-s. I'm a member of the Natural Resources Commission. I'm a representative on that commission of the Lower Platte Basin and I'm currently chairman of that commission's legislative and budget committee. I'm representing the commission, not the Department of Natural Resources today, and I appreciate the opportunity to be here to give you some testimony on LB517, and the amendment, from a neutral position. The commission has been mentioned regarding involvement in the study process. We are not here to advocate that involvement, but rather to offer whatever the committee or others would feel that the commission might provide in a constructive way for the process, in addition to, you already have listed in the amendment that our chair would be a nonvoting member of the task force. My way of background information and for the record, I'll just briefly describe how the commissioners are selected. There are 16 members, 13 are selected by caucus in the river basins, and three are appointed by the Governor. Those three, one represents groundwater, one surface water, and one municipal users. The basins' representatives' only requirement is that they be a resident of that basin and that they...and they may or may not be NRD board members. Generally they are because those are the people most interested, but there currently are two that are not. The term of those non-Governor appointed members are for four years, about half of them are...at one time...every two years, so that the terms are staggered. And I handed out a copy of the map of the river basins. Those are where each of the commissioners are from. Commissioner members have a broad range of backgrounds and experience, and Mr. Bendfeldt already mentioned some of that. I'll just

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quickly go over that. Hate to be redundant, but it will be quick. As an example, we've got a couple of engineers, and irrigation district managers. Three of us are former Governor Water Policy Task Force members. A well driller. There's a person that was a previous Corps of Engineers project manager, we have several with advanced degrees, even in resource management. We have a South Dakota Water Development Task Force executive director, county commissioner, a mayor, school teacher, surface and groundwater irrigators, dryland farmers and ranchers, and several business in economic and agriculture business degrees. People on that. Just as a side, we just lost one of our commission members. He moved up to your body. Dan Watermeier is now a member of the Legislature. He was a commissioner until the end of the year. The duties of the commission include establishing and maintaining rules and regulations for the six funds that are under our jurisdiction, and including...we put together distribution formulas and establish project ranking procedures. And there's a handout of a brochure that briefly talks about those six funds. As an example of the commission's fund administration, I'll talk a little bit about one of those funds and that's the Natural Resources Development Fund. This fund was created by the Legislature in 1974 and the words in that legislation said, "to assist with the development and wise use of Nebraska's water and land resources." The NRDF provides grants and loans to political subdivisions for projects that meet the criteria specified in the statute. The director of the Department of Natural Resources determines project acceptability, and then the Natural Resources Commission determines the funding and the amount of funding for them. The projects are required to have a positive rate of return and have...in the past, those projects have been very positive. To date. 71 projects across Nebraska have been approved. The Development Fund has provided about \$104 million for these projects. The total cost of all those projects was about \$250 million. The remaining dollars were provided by the federal government and local sponsors. These projects, though, have provided an estimated benefit to the state of about \$1.4 million. If you take that, just purely on Development Fund to benefits, it's like a ten to one benefit to cost ratio. Recently in the recent years, the fund has been funded through the General Fund and DNR at about \$3.1 million per year. Currently, there are about \$20 million worth of projects that are waiting in...that are already approved and waiting in the queue to get these dollars, one who is one of those. Therefore, we're not taking any more applications because we have that waiting list. There have been identified about another \$100 million worth of projects and I think it could go beyond that. The work that was done previously, there's probably \$300 million worth of projects in total. And just to point out the NRD, the Development Fund is a very good investment for the state. It has a very high rate of return. We are neutral in this effort, not because we don't support increased funding for these projects, but because we are concerned that current important water projects such as the NRDs' groundwater management plans, the river basin management plans, and these six funds I just spoke of, we're afraid that they somehow would be lost in this process and we want to make sure that doesn't happen. The general idea of a statewide water plan is admirable, but we would recognize that each river basin has their own set of problems, their own...they're all different, rainfalls, soil types, and so forth. That's why

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it's important that there be local control over those river basins and that it's done at a local basis. But without a doubt, the most important effort is getting more dollars. As has been pointed out many times, LB962 fell short of doing the funding that was required to accomplish what was in that. In closing, I would again offer the commission's expertise in any way that you would choose to use, and suggest that the task force be established not on the regions as are shown in the amendment, but rather maybe follow river basins. I think that would be more appropriate representation than just those geographic areas. I think Chair Carlson should be thanked for pursuing the review of funding requirements for these Nebraska water projects, and ultimately get a stable and significant fund source for these projects. Thank you. [LB517]

SENATOR CARLSON: Okay. Thank you, Clint. Any questions of him? Appreciate your patience and a long sit before you got to speak. Thank you for coming. [LB517]

CLINT JOHANNES: Thank you. [LB517]

SENATOR CARLSON: All right. Next testifier. Welcome, Dr. Yoder. [LB517]

RON YODER: Thank you, Senator Carlson and members of the committee. As you likely know...well, my name is Ron Yoder, R-o-n Y-o-d-e-r. I serve as the associate vice chancellor of the Institute of Agriculture and Natural Resources at the University of Nebraska. And as you likely know, when a member of the university committee testifies on a bill here, it's in a...almost always as a...in a neutral position. But today, we did want to convey to you our offer of assistance as you move forward with this. You know that the mission of the University of Nebraska is to serve the people of Nebraska. And one part of that is delivering on the...of that mission is collecting and synthesizing data to quantify and characterize the water resources of the state. The second part is educating the public about the importance of that resource. Faculty members, through their teaching of courses, conducting of research throughout the state, delivering extension programming in every county in the state, add to the knowledge of the status of water quantity and water quality throughout the state and have a wealth of expertise and experience to assist the task force in the discussions about conserving, sustaining, and managing Nebraska's vital water resources. These faculty members are an unbiased source for informing discussions about the water resource challenges confronting the state of Nebraska and for proposing possible solutions for those challenges. It will be useful for the task force to be aware of ongoing water resource studies at the university, and it will be equally valuable for the university community to be aware of the data and analysis needs of the policy and decision makers of the state. The university is prepared to assist the task force in whatever manner will be helpful in addressing the water resource challenges of the state. Thank you. [LB517]

SENATOR CARLSON: Okay. Thank you, Dr. Yoder, for your testimony. Any questions of the committee? Again, thanks for your time and patience. Welcome. [LB517]

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TIM McCOY: Good afternoon, Chairman Carlson and members of the committee. My name is Tim McCoy, T-i-m M-c-C-o-y. I'm the deputy director at the Game and Parks Commission here today to testify neutral on this bill, not because we don't think it's the right thing to do. Nebraska water faces big, long-term challenges. Those challenges are broad. They impact all parts of life, everything from agricultural production to crops to cattle to every citizen of this state. Every citizen of this state needs quality water, so it is a broad issue and it needs to be addressed broadly, and I hope when we get to the funding portion of this, that's where those considerations are made in that broad context of water is needed everywhere in the state. However, I think getting into that is jumping ahead because really, the challenge that this task force has is coming up with the why. Getting those goals together, getting everybody together out on the same page. We're pleased to see that the commission will still have an opportunity to stay involved with this with our director as an ex officio member. We look forward to providing any assistance we can to the commission...or the task force, excuse me. And we also agree some of the earlier testifiers mentioned a concern related to a vote for fish and wildlife. That is a beneficial use in Nebraska. We would support that consideration as far as voting membership. However, we don't, you know, we don't think that that's necessarily critical because this is a broad issue that to really address properly requires that we do engage all parts of the state and everybody that has a stake in water. [LB517]

SENATOR CARLSON: (Exhibits 21, 22 and 23) Okay, Tim, thank you for your testimony. Any questions? Okay. Thank you. Any further testifiers in the neutral position? We do have letters of testimony for neutral position: John Miyoshi of the Lower Platte North Natural Resources District; Dennis Schueth of the Upper Elkhorn Natural Resources District; and Dale Spencer of the Nebraska Cattlemen. I'm limber enough to get up and get around the table and I'll close. Committee, thanks for your patience and for your indulgence in the hearing this afternoon. I really appreciate it. I just wrote down a few comments in listening to various people speak. One of those things that came up was, research is necessary, it costs money and it's not necessarily quick, but it's important. And it was mentioned by a couple the importance of the occupation tax, which is an indication of the farmers that understand the need for water and they're willing to put up their own money. And that should not be forgotten and as we look for funds and they apply for funds, part of that formula will be local input and this is their source for local input. Jay Rempe talked about the importance of a 20-year plan. That's a part of this bill. And keep in mind that the work that this task force does, the outcome comes as a recommendation. No authority, it's a recommendation. But it's an important recommendation. The outcome needs to be a believable plan that deserves funding. And it will establish priorities and provide a way to leverage other dollars to make those that we do ask for in this funding be stretched even further. And I appreciate the testimony from UNL and the Institute of Agriculture and Natural Resources are a wonderful resource for us in the state of Nebraska. And the Water for Food Institute offers great potential and important input for us as we move down through future

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months and years, but it also brings about the importance of water in this desire to provide food to feed the world. I like the idea of the strategic plan and I have no qualms about putting that terminology in because if the work is done correctly, we will have a 20-year strategic plan to present to the Legislature when we ask for money. And when we ask for money, I can't, in good conscience, ask the Legislature for money if we don't know what it's going to be used for, what it's going to cost, and when it's going to be used. And not to leave anybody out, but I can just imagine Senator Mello, Senator Lathrop, Senator Conrad, standing up and asking me to come to the microphone and say, Senator Carlson, you're asking for \$50 million. What are you going to do with it? And I cannot possibly be put in a position where I say, I don't know, just trust me. So the work of this task force is most important. We're going to ask a group to do it in a confined period of time so that we can move ahead. Because it's easy to say we can't get it done in that period of time, let's wait until next year, then next year becomes next year, and so forth, and it's time to act. And I know this is a challenge, but I really think the job can be done and ask for your support in advancing this legislation so that we can do it. We know that we've got some things to work out before we really get to that point in the committee, but thank you for listening to me, and I'll try to answer any questions you may have. [LB517]

SENATOR BRASCH: Are there any questions of the committee? Seeing there are none, this concludes the hearing and agenda for today. Thank you. (See also Exhibit 24.) [LB517]