

October 1, 2024

Brandon Metzler
Clerk of the Legislature
Rm. 2028, State Capitol
Lincoln, NE 68509



Jim Pillen, Governor

Dear Mr. Metzler:

Background and Appropriations to the Fund

Pursuant to *Nebraska Revised Statutes* § 61-218(6) and 81-15,175(4)(c), the Department of Natural Resources (NeDNR or Department) is submitting this report regarding the status and expenditures from the Water Resources Cash Fund (Fund or WRCF) for the previous fiscal year, FY 2023- 24.

For historical context, this paragraph describes a summary of the changing funding resources for the Fund. Original funding for the Fund began with LB 701 in 2007. Since 2011, this Fund has received equal resources from both General Fund appropriations and from a grant with the Nebraska Environmental Trust (NET) that was provided for in LB 229, 2011. An additional \$1.4M General Fund appropriation was received in FY 2013 (LB 950) and a one-time \$4,000,000 appropriation was authorized by the Legislature's biennial budget bill LB294 (2019) resulting from a settlement agreement payment from the State of Colorado. In FY23-24 however, the funding pattern changed. The statutory expression of legislative intent for General Fund appropriations ended after FY 22-23 with the sunset the intent expressed in § 61-218(4).

The 108th Legislature (2023) appropriated \$7M of cash funds with a transfer from NET funds each year of the FY24-25 biennium. As amended by LB 818, effective May 25, 2023, § 61-218 now simply provides that any funds expended by WRCF must comply with eligible NET uses and purposes as well as WRCF's. However, no changes in WRCF rules are required since all WRCF uses are also eligible NET uses.

Uses of the Funding

Use of the Fund's resources has followed statutory authorities since its inception, consistent with incremental and long-range planning for conserving the state's water resources while working to meet management objectives in fully and overappropriated portions of the state. The Fund has not been used to pay for administrative expenses or any salaries for the department or any political subdivision, and none of the Fund's matching requirements have been provided by in-kind contributions.

Jesse Bradley, P.G., Interim Director

Department of Natural Resources

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As noted in earlier reports to the Legislature, in accordance with § 61-218(3), NeDNR has reserved maximum flexibility for direct use of the Fund. Since 2010 NeDNR has committed funds for reimbursement of project costs associated with achieving compliance under an interstate agreement for Platte River water uses. These reimbursements include substantial investments supporting the Platte River Recovery Implementation Program (PRRIP), and the associated approved integrated management plans (IMPs) developed cooperatively between NeDNR and Natural Resources Districts (NRDs).

A consortium of five NRDs (Central Platte, South Platte, Twin Platte, North Platte, and Tri-Basin) and NeDNR are organized under an interlocal cooperative agreement, the Platte Basin Water Project Coalition (Coalition), to implement the IMPs affected by the PRRIP and to collaboratively determine the best use of the financial resources available. Table 1 lists projects and activities funded in part by the Department through recent grants from the NET. These projects were matched not less than forty percent by other funding sources. Interested members of the Legislature are referred to NeDNR's prior reports at <https://dnr.nebraska.gov/water-planning/publications-and-presentations> and online StoryMap available at <https://gis.ne.gov/portal/apps/storymaps/stories/3ff7af0cea604ca6a42a2cc2ade82e31> for a comprehensive and detailed review of the demonstrated benefits from Fund expenditures.

Since 2013, NeDNR has also committed funds for reimbursement of project costs associated with achieving and maintaining compliance with the Republican River Compact (Compact) in the Republican River Basin (Basin). These reimbursements also include substantial important investments supporting the reduction of consumptive use, and implementation of the Republican River Basin-Wide Plan (BWP) and IMPs developed cooperatively between NeDNR and the Republican NRDs (Upper Republican, Lower Republican, Middle Republican and Tri-Basin NRDs).

In 2019, \$4 million from a one-time settlement payment from Colorado was added to the Fund to be used for surface water projects within the Republican River Basin. Since then, NeDNR has worked with Basin Irrigation Districts to increase efficiency of surface water delivery systems, conserve water supplies and reduce consumptive use of surface water in the Basin.

To assist the state in assessing short-term and long-term water management activities, funds were used to develop and publish an online web-based Decision Support System (DSS) dashboard for NRDs, Irrigation Districts, other water managers, and the public. The DSS is an interactive real-time tool for groundwater recharge management and streamflow enhancement in overappropriated Upper Platte River basin areas. It streamlines communications, permitting, water rights administration, and tracking processes in the basin with greater public transparency.

Lastly, the Department and the Upper Niobrara White NRD have collaborated in the implementation of the Upper Niobrara White's IMP for the fully appropriated portion of their District. Consistent with the goals and objectives of the IMP, an evaluation of potential recharge sites and rates in the fully appropriated area, and a prioritization of those identified sites, was conducted. The final report on this study has assisted the Department and the District in identifying possible future conjunctive management projects within the NRD.

NeDNR Expenditures in Fiscal Year 2023-24

Expenditures from the Fund in FY 2023-24 are identified below.

Cash Fund Expenditures in FY 2023-24

TPNRD/SPNRD Western ID Memorandum of Agreement	\$18,000.00
URNRD Reduce Consumptive Use	\$814,860.00
TBNRD Water Conservation Incentive Program (WCIP)	\$121,702.59
NBID Superior Canal Delivery Efficiency Improvement Project	\$102,280.00
MRNRD Remote Irrigation Meter Monitoring & Water Conservation	\$347,252.53
NPNRD Permanent Retirements Project	\$941,413.50
CPNRD Groundwater Decertifications	\$431,967.73
LRNRD Telemetry Cost Share	\$538,656.61
NPNRD Temporary Retirements	\$428,625.00
CNPPID Elwood Reservoir Recharge Recovery Project	\$1,607,310.29
NPNRD Temporary Surface Water Retirements	\$54,306.00
NPNRD EPIC FY2023	\$82,054.98
CPNRD Decertification	\$50,219.24
CPNRD Decertification	\$144,005.22

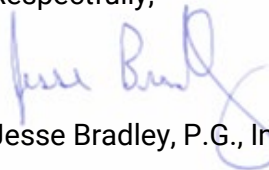
Total **\$5,682,653.69**

Fund Balance and Remaining Obligations

The June 30, 2024, balance of the Fund was \$36,431,129.02. This amount is comprised of the remainder of the unexpended transfers from the General Fund and NET grant funds, less interest on the unexpended balance of funds from those grants, which is returned to the NET. Transfer of the \$7M of NET Funds occurred before June 30, 2024. As amended by LB 1368, 2024, the State Treasurer shall transfer \$1M from the Fund to the Nitrogen Reduction Incentive Cash Fund between the dates of July 19, 2024, and June 30, 2025.

The remaining fund balance is obligated to current projects and planned future commitments as illustrated in Table 2. The unexpended balance is indicative of the inherent lag between planning and expenditures for long-term projects.

Respectfully,



Jesse Bradley, P.G., Interim Director

cc: Senator Bruce Bostelman, District 23
Karl Elmshaeuser, Executive Director, Nebraska Environmental Trust



Table 1 – Water Resources Cash Fund NET Grants # 18-107 & 21-138
WRCF Project Obligated Budgets
Page 4 of 6

Projects	NRD Obligations	DNR NET Obligations	Total NRD + NET Project Obligations	NET %	Local Match %	Other Project Dollars*	Total Project Obligations
UNWNRD							
1346 Inventory of Groundwater Recharge Sites	\$ 13,240.00	\$ 19,860.00	\$ 33,100.00	60%	40%	\$ -	\$ 33,100.00
UNWNRD Totals	\$ 13,240.00	\$ 19,860.00	\$ 33,100.00			\$ -	\$ 33,100.00
LRNRD							
1077 Reduce CU and Flag Creek Augmentation	\$ 1,720,000.00	\$ 2,580,000.00	\$ 4,300,000.00	60%	40%	\$ -	\$ 4,300,000.00
1386 Telemetry Cost Share	\$ 800,000.00	\$ 1,200,000.00	\$ 2,000,000.00	60%	40%	\$ -	\$ 2,000,000.00
1406 Flag Creek Augmentation	\$ 480,000.00	\$ 720,000.00	\$ 1,200,000.00	60%	40%	\$ -	\$ 1,200,000.00
LRNRD Totals	\$ 3,000,000.00	\$ 4,500,000.00	\$ 7,500,000.00			\$ -	\$ 7,500,000.00
MRNRD							
1055 Decertifications	\$ 1,000,000.00	\$ 1,500,000.00	\$ 2,500,000.00	60%	40%	\$ -	\$ 2,500,000.00
1181 Remote Irrigation Meter Monitoring	\$ 600,000.00	\$ 900,000.00	\$ 1,500,000.00	60%	40%	\$ 1,848,092.00	\$ 3,348,092.00
1290 Remote Irrigation Meter Monitoring	\$ 1,088,957.00	\$ 900,000.00	\$ 1,988,957.00	45%	55%	\$ 1,300,000.00	\$ 3,288,957.00
1385 Telemetry Cost Share	\$ 2,000,000.00	\$ 1,300,000.00	\$ 3,300,000.00	39.4%	60.6%	\$ -	\$ 3,300,000.00
MRNRD Totals	\$ 4,688,957.00	\$ 4,600,000.00	\$ 9,288,957.00			\$ 3,148,092.00	\$ 12,437,049.00
URNRD							
1389 Soil Probe Telemetry Cost Share	\$ 741,378.00	\$ 1,112,067.00	\$ 1,853,445.00	60%	40%	\$ 824,310.00	\$ 2,677,755.00
1058 Reduce CU, CREP and other Acre Retirements	\$ 4,000,000.00	\$ 6,000,000.00	\$ 10,000,000.00	60%	40%	\$ -	\$ 10,000,000.00
URNRD Totals	\$ 4,741,378.00	\$ 7,112,067.00	\$ 11,853,445.00			\$ 824,310.00	\$ 12,677,755.00
CPNRD							
1119 Easement Packages	\$ 356,520.00	\$ 534,780.00	\$ 891,300.00	60%	40%	\$ -	\$ 891,300.00
1235 Conservation Easements	\$ 440,425.20	\$ 660,637.80	\$ 1,101,063.00	60%	40%	\$ -	\$ 1,101,063.00
1382 Groundwater Decertification	\$ 288,050.06	\$ 431,968.00	\$ 720,018.06	60%	40%	\$ -	\$ 720,018.06
Recharge Pits/Detention Ponds	\$ 456,666.67	\$ 685,000.00	\$ 1,141,666.67	60%	40%	\$ -	\$ 1,141,666.67
1496 Decertification	\$ 33,479.49	\$ 50,219.24	\$ 83,698.73	60%	40%	\$ -	\$ 83,698.73
1497 Decertification	\$ 96,003.48	\$ 144,005.22	\$ 240,008.70	60%	40%	\$ -	\$ 240,008.70
1511 Decertification	\$ 174,546.40	\$ 261,819.60	\$ 436,366.00	60%	40%	\$ -	\$ 436,366.00
1512 Decertification	\$ 10,202.40	\$ 15,303.60	\$ 25,506.00	60%	40%	\$ -	\$ 25,506.00
1513 Decertification	\$ 7,708.00	\$ 11,562.00	\$ 19,270.00	60%	40%	\$ -	\$ 19,270.00
1514 Decertification	\$ 37,440.00	\$ 56,160.00	\$ 93,600.00	60%	40%	\$ -	\$ 93,600.00
1515 Decertification	\$ 148,768.00	\$ 223,152.00	\$ 371,920.00	60%	40%	\$ -	\$ 371,920.00
1516 Decertification	\$ 14,400.00	\$ 21,600.00	\$ 36,000.00	60%	40%	\$ -	\$ 36,000.00
CPNRD Totals	\$ 2,064,209.70	\$ 3,096,207.46	\$ 5,160,417.16			\$ -	\$ 5,160,417.16
NPNRD							
925 Temporary Retirements	\$ 1,326,105.00	\$ 1,989,157.50	\$ 3,315,262.50	60%	40%	\$ -	\$ 3,315,262.50
1156 Permanent Retirement Projects	\$ 121,166.40	\$ 181,749.60	\$ 302,916.00	60%	40%	\$ -	\$ 302,916.00
1157 Temporary Lease Project	\$ 267,644.69	\$ 401,467.04	\$ 669,111.73	60%	40%	\$ -	\$ 669,111.73
1157 Temporary Lease Amendments	\$ 33,750.00	\$ 50,625.00	\$ 84,375.00	60%	40%	\$ -	\$ 84,375.00
1159 Excess Flow/Groundwater Recharge	\$ 41,682.00	\$ 62,523.00	\$ 104,205.00	60%	40%	\$ -	\$ 104,205.00
1160 Enterprise Canal Recharge Project	\$ 49,140.00	\$ 73,710.00	\$ 122,850.00	60%	40%	\$ -	\$ 122,850.00
1226 EPIC FY2020-2021	\$ 90,806.64	\$ 136,209.96	\$ 227,016.60	60%	40%	\$ -	\$ 227,016.60
1339 Temporary Surface Water Retirements	\$ 48,600.00	\$ 72,900.00	\$ 121,500.00	60%	40%	\$ -	\$ 121,500.00
1341 Permanent Retirements Project	\$ 627,645.00	\$ 941,467.50	\$ 1,569,112.50	60%	40%	\$ -	\$ 1,569,112.50
1363 EPIC FY 2022	\$ 38,946.84	\$ 58,420.26	\$ 97,367.10	60%	40%	\$ -	\$ 97,367.10
1436 Temporary Retirements	\$ 285,750.00	\$ 428,625.00	\$ 714,375.00	60%	40%	\$ -	\$ 714,375.00
1457 Temporary SW Retirements	\$ 36,204.00	\$ 54,306.00	\$ 90,510.00	60%	40%	\$ -	\$ 90,510.00
1486 EPIC FY 2023	\$ 54,703.32	\$ 82,054.98	\$ 136,758.30	60%	40%	\$ -	\$ 136,758.30
NPNRD Totals	\$ 3,022,143.89	\$ 4,533,215.84	\$ 7,555,359.73			\$ -	\$ 7,555,359.73
SPNRD							
1010 Western ID MOA with Amendments 1&2	\$ 281,282.69	\$ 417,424.04	\$ 698,706.73	60%	40%	\$ -	\$ 698,706.73
1076 Western ID Recharge Pit Construction & Rehab	\$ 21,099.77	\$ 31,649.66	\$ 52,749.43	60%	40%	\$ -	\$ 52,749.43
SPNRD Totals	\$ 302,382.46	\$ 449,073.70	\$ 751,456.16			\$ -	\$ 751,456.16
TBNRD							
1021 Rainwater Basin Joint Venture	\$ 520,710.00	\$ 781,065.00	\$ 1,301,775.00	60%	40%	\$ -	\$ 1,301,775.00
1150 High Flow Diversions/Excess Flow Recharge	\$ 26,000.00	\$ 39,000.00	\$ 65,000.00	60%	40%	\$ -	\$ 65,000.00
1190 Excess Flow Diversions	\$ 327,800.00	\$ 491,700.00	\$ 819,500.00	60%	40%	\$ -	\$ 819,500.00
1192 Observation Wells	\$ 22,400.00	\$ 33,600.00	\$ 56,000.00	60%	40%	\$ -	\$ 56,000.00
1243 WCIP	\$ 481,580.00	\$ 722,370.00	\$ 1,203,950.00	60%	40%	\$ -	\$ 1,203,950.00
1460 Telemetry Project	\$ 133,333.33	\$ 200,000.00	\$ 333,333.33	60%	40%	\$ -	\$ 333,333.33
Net Recharge Management Tool	\$ 40,000.00	\$ 60,000.00	\$ 100,000.00	60%	40%	\$ -	\$ 100,000.00
TBNRD Totals	\$ 1,551,823.33	\$ 2,327,735.00	\$ 3,879,558.33			\$ -	\$ 3,879,558.33
TPNRD							
778 Streamflow Augmentation Pipeline and Amendments	\$ 4,071,933.24	\$ 6,107,899.86	\$ 10,179,833.10	60%	40%	\$ -	\$ 10,179,833.10
1010 Western ID MOA			Included above in SPNRD contract 1010				
1378 Platte Valley ID MOA	\$ 20,000.00	\$ 30,000.00	\$ 50,000.00	60%	40%	\$ -	\$ 50,000.00
1379 Suburban ID MOA	\$ 20,000.00	\$ 30,000.00	\$ 50,000.00	60%	40%	\$ -	\$ 50,000.00
1380 Keith-Lincoln ID MOA	\$ 20,000.00	\$ 30,000.00	\$ 50,000.00	60%	40%	\$ -	\$ 50,000.00
1381 Paxton-Hershey ID MOA	\$ 20,000.00	\$ 30,000.00	\$ 50,000.00	60%	40%	\$ -	\$ 50,000.00
1480 Paxton-Hershey Canal Recharge Site	\$ 6,000.00	\$ 9,000.00	\$ 15,000.00	60%	40%	\$ -	\$ 15,000.00
1481 Suburban Canal Recharge Sites	\$ 11,419.70	\$ 17,129.54	\$ 28,549.24	60%	40%	\$ -	\$ 28,549.24
1482 North Platte Canal Recharge Sites	\$ 84,947.56	\$ 127,421.34	\$ 212,368.90	60%	40%	\$ -	\$ 212,368.90
TPNRD Totals	\$ 4,254,300.50	\$ 6,381,450.74	\$ 10,635,751.24			\$ -	\$ 10,635,751.24
Total	\$ 23,638,434.88	\$ 33,019,609.74	\$ 56,658,044.62	58.3%	41.7%	\$ 3,972,402.00	\$ 60,630,446.62

*Other Project Dollars for 1181, 1290, and 1389 are from USBR WaterSMART grants.

Table 1 Continued – Water Resources Cash Fund NET Grants # 18-107 & 21-138
 Expended Dollars
 Page 5 of 6

Projects	DNR NET Obligations	DNR NET Expended	Project Total Remaining
UNWNRD			
1346 Inventory of Groundwater Recharge Sites	\$ 19,860.00	\$ 17,894.25	\$ 1,965.75
LRNRD			
1077 Reduce CU and Flag Creek Augmentation	\$ 2,580,000.00	\$ 153,714.93	\$ 2,426,285.07
1386 Telemetry Cost Share	\$ 1,200,000.00	\$ 658,025.61	\$ 541,974.39
1406 Flag Creek Augmentation	\$ 720,000.00	\$ 153,714.93	\$ 566,285.07
MRNRD			
1055 Decertifications	\$ 1,500,000.00	\$ -	\$ 1,500,000.00
1181 Remote Irrigation Meter Monitoring	\$ 900,000.00	\$ 899,998.90	\$ 1.10
1290 Remote Irrigation Meter Monitoring	\$ 900,000.00	\$ 883,212.47	\$ 16,787.53
1385 Telemetry Cost Share	\$ 1,300,000.00	\$ -	\$ 1,300,000.00
URNRD			
1389 Soil Probe Telemetry Cost Share	\$ 1,112,067.00	\$ -	\$ 1,112,067.00
1058 Reduce CU, CREP and other Acre Retirements	\$ 6,000,000.00	\$ 5,782,666.02	\$ 217,333.98
CPNRD			
1119 Easement Packages	\$ 534,780.00	\$ 534,780.00	\$ -
1235 Conservation Easements	\$ 660,637.80	\$ 660,637.80	\$ -
1382 Groundwater Decertification	\$ 431,968.00	\$ 431,967.73	\$ 0.27
Recharge Pits/Detention Ponds	\$ 685,000.00	\$ -	\$ 685,000.00
1496 Permanent Decertifications	\$ 50,219.24	\$ 50,219.24	\$ -
1497 Permanent Decertifications	\$ 144,005.22	\$ 144,005.22	\$ -
1511 Decertification	\$ 261,819.60	\$ -	\$ 261,819.60
1512 Decertification	\$ 15,303.60	\$ -	\$ 15,303.60
1513 Decertification	\$ 11,562.00	\$ -	\$ 11,562.00
1514 Decertification	\$ 56,160.00	\$ -	\$ 56,160.00
1515 Decertification	\$ 223,152.00	\$ -	\$ 223,152.00
1516 Decertification	\$ 21,600.00	\$ -	\$ 21,600.00
NPNRD			
925 Temporary Retirements	\$ 1,989,157.50	\$ 1,989,157.50	\$ -
1156 Permanent Retirement Projects	\$ 181,749.60	\$ 181,749.60	\$ -
1157 Temporary Lease Project	\$ 401,467.04	\$ 401,467.04	\$ -
1157 Temporary Lease Amendments	\$ 50,625.00	\$ 50,625.00	\$ -
1159 Excess Flow/Groundwater Recharge	\$ 62,523.00	\$ 49,023.00	\$ 13,500.00
1160 Enterprise Canal Recharge Project	\$ 73,710.00	\$ 73,710.00	\$ -
1226 EPIC FY2020-2021	\$ 136,209.96	\$ 113,688.36	\$ 22,521.60
1339 Temporary Surface Water Retirements	\$ 72,900.00	\$ 72,900.00	\$ -
1341 Permanent Retirements Project	\$ 941,467.50	\$ 941,467.50	\$ -
1363 EPIC FY 2022	\$ 58,420.26	\$ 58,420.26	\$ -
1436 Temporary Retirements	\$ 428,625.00	\$ 428,625.00	\$ -
1457 Temporary SW Retirements	\$ 54,306.00	\$ 54,306.00	\$ -
1486 EPIC 2023	\$ 82,054.98	\$ 82,054.98	\$ -
SPNRD			
1010 Western ID MOA with Amendments 1&2	\$ 417,424.04	\$ 165,424.04	\$ 252,000.00
1076 Western ID Recharge Pit Construction and Rehab	\$ 31,649.66	\$ -	\$ 31,649.66
TBNRD			
1021 Rainwater Basin Joint Venture	\$ 781,065.00	\$ 594,910.47	\$ 186,154.53
1150 High Flow Diversions/Excess Flow Recharge	\$ 39,000.00	\$ 16,868.20	\$ 22,131.80
1190 Excess Flow Diversions	\$ 491,700.00	\$ 274,721.52	\$ 216,978.48
1192 Observation Wells	\$ 33,600.00	\$ 24,103.32	\$ 9,496.68
1243 WCIP	\$ 722,370.00	\$ 425,898.30	\$ 296,471.70
1460 Telemetry Project	\$ 200,000.00	\$ -	\$ 200,000.00
Net Recharge Management Tool	\$ 60,000.00	\$ -	\$ 60,000.00
TPNRD			
778 Streamflow Augmentation Pipeline and Amendments	\$ 6,107,899.86	\$ 6,107,899.86	\$ -
1010 Western ID MOA	Included above in SPNRD contract 1010		
1378 Platte Valley ID MOA	\$ 30,000.00	\$ -	\$ 30,000.00
1379 Suburban ID MOA	\$ 30,000.00	\$ -	\$ 30,000.00
1380 Keith-Lincoln ID MOA	\$ 30,000.00	\$ -	\$ 30,000.00
1381 Paxton-Hershey ID MOA	\$ 30,000.00	\$ -	\$ 30,000.00
1480 Paxton-Hersey Canal Recharge Site	\$ 9,000.00	\$ -	\$ 9,000.00
1481 Suburban Canal Recharge Sites	\$ 17,129.54	\$ -	\$ 17,129.54
1482 North Platte Canal Recharge Sites	\$ 127,421.34	\$ -	\$ 127,421.34
Totals	\$ 33,019,609.74	\$ 22,477,857.05	\$ 10,541,752.69

Table 2

Water Resources Cash Fund REPORT OF UNEXPENDED FUNDS AS OF June 30, 2023	
Fund Balance and Appropriation	
Balance of Water Resources Cash Fund at the end of the Fiscal Year	\$36,431,129
Expected Fiscal Year 25 Appropriation	\$7,000,000
Water Resources Cash Fund Project Commitments	
Total DNR commitments under contract (General Fund and NET)	\$18,860,846
Balance after Current Contract Commitments	\$24,570,283
Future Planned Commitments	
CPNRD Canal Automation	\$178,411
Mound Area Recharge Recapture	3,000,000
CPNRD Telemetry Data Management	\$145,563
North Platte Canal Water Management	\$3,000,000
NPPD Canal Automation	\$164,523
LBBNRD Management and Telemetry	\$1,620,000
Whitney Irrigation District Headgate Automation	\$800,000
Matching Funds for Precision Agriculture Implementation	\$7,000,000
Platte Basin Conjunctive Management	\$10,000,000
Subtotal of Future Planned Commitments	\$ 25,908,497