

**DRAFT - LB 962 Funding Needs - FY 08**

| <b>FY 08 Additional Needs (Assuming 07 funded at \$1,500,000 additional)</b>   | <b>Estimated Cost</b> | <b>Rank</b> |
|--|-----------------------|-------------|
| <b><u>Personnel</u></b>  |                       |             |
| <i>Administration activities</i>   |                       |             |
| 1 FTE SW Rights  | 80,000.00             |             |
| 1 FTE GW Registration Modifications  | 40,000.00             |             |
| 1 FTE SW Rights (already hired)  | 65,000.00             |             |
| <i>Planning</i>  |                       |             |
| 1 FTE LB 962 Information and Education Coordinator   | 60,000.00             |             |
| 1 FTE Streamgaging Software / Work Up Records Coordinator  | 65,000.00             |             |
| <i>Technical Activities</i>  |                       |             |
| 1 FTE GW Modeler   | 120,000.00            |             |
| 1 FTE GW Modeler   | 120,000.00            |             |
| 1 FTE Geologist - (already hired)  | 65,000.00             |             |
| <i>Legal Work</i>  |                       |             |
| 1 FTE Legal Assistance (already hired)   | 70,000.00             |             |
| <b><u>DNR Travel/Administrative</u></b>  | 120,000.00            |             |
| <b><u>Technical activities- Groundwater Surface water relationships</u></b>  |                       |             |
| Contract Personnel to Have SW Files Coded and Electronic Display - Store and Display Electronic Images - Assist in Copying, Digitizing SW Maps, Processing SW Applications | 120,000.00            |             |
| Cooperative Agreement  | 400,000.00            |             |
| Modeling Senior Modeler - Model Review, Planning and Guidance (contract)   | 100,000.00            | 1           |
| Surface and Aerial Geophysics - Glacial Areas Concentrated on Elkhorn / Lower Platte   | 75,000.00             | 5           |
| <b>TOTAL</b>   | <b>1,500,000.00</b>   |             |
| <b><u>OTHER PLANNED ACTIVITIES SHOULD FUNDS BECOME AVAILABLE</u></b>   |                       |             |
| <b><u>Technical Activities</u></b>   |                       |             |
| Surface and Aerial Geophysics - Glacial Areas Concentrated on Elkhorn / Lower Platte   | 290,000.00            | 5           |
| Streambed Conductance - USGS   | 300,000.00            | 6           |
| Conservation Effects Investigation-UNL   | 170,000.00            | 7           |
| Groundwater -Surface Water Studies-Usgs-Lower Elkhorn, Upper Big Blue, Big Blue  | 250,000.00            | 8           |
| Groundwater -Surface Water Studies-UNL-Lower Elkhorn-Lower Platte  | 250,000.00            | 9           |
| Hydrographic Mapping- Update Stream Coverage   | 190,000.00            | 10          |
| GPS Survey- Monitoring Well Locations  | 60,000.00             | 11          |
| Monitoring Well Installation- 25% Match with NRD's   | 430,000.00            | 12          |
| Surface Water Gauges   | 150,000.00            | 13          |
| <b><u>Computer support and GIS</u></b>   |                       |             |
| Land Survey map update   | 123,000.00            | 14          |
| Geographic Information Systems and Database  | 30,000.00             | 15          |
| Internet and NRD support person  | 65,000.00             | 16          |
| <b>TOTAL</b>   | <b>2,308,000.00</b>   |             |
| <b>GRAND TOTAL</b>   | <b>3,708,000.00</b>   |             |

## DRAFT - LB 962 Additional Funding Needs -FY 07

| <b>FY 07 Additional Needs</b>  | <b>Estimated Cost</b> | <b>Rank</b> |
|--|-----------------------|-------------|
| <b><u>Personnel</u></b>  |                       |             |
| <i>Administration activities</i>   |                       |             |
| 1 FTE SW Rights Administrator  | 80,000.00             |             |
| 1 FTE GW Registration Modifications  | 40,000.00             |             |
| <i>Planning</i>  |                       |             |
| 1 FTE LB 962 Information and Education Coordinator                                   | 60,000.00             |             |
| 1 FTE Streamgaging Software / Work Up Records Coordinator                            | 65,000.00             |             |
| <i>Technical Activities</i>  |                       |             |
| 1 FTE Modeler  | 120,000.00            |             |
| 1 FTE Modeler  | 120,000.00            |             |
| <b><u>Technical activities- Groundwater Surface water relationships</u></b>          |                       |             |
| Modeling Senior Modeler - Model Review, Planning and Guidance (Contract)             | 100,000.00            | 1           |
| Cooperative Agreement  | 400,000.00            | 2           |
| Geologic and Hydrogeological Mapping Glacial Areas, Surface and Subsurface           | 140,000.00            | 3           |
| Evapotranspiration Work-Cost Shared With Other Parties                               | 180,000.00            | 4           |
| Surface and Aerial Geophysics - Glacial Areas Concentrated on Elkhorn / Lower Platte | 195,000.00            | 5           |
| <b>TOTAL</b>   | <b>1,500,000.00</b>   |             |
| <b><u>OTHER PLANNED ACTIVITIES SHOULD FUNDS BECOME AVAILABLE</u></b>                 |                       |             |
| <b><u>Technical Activities</u></b>   |                       |             |
| Surface and Aerial Geophysics - Glacial Areas Concentrated on Elkhorn / Lower Platte | 345,000.00            | 5           |
| Stream Bed Conductance-USGS  | 300,000.00            | 6           |
| Conservation Effects Investigation-UNL   | 170,000.00            | 7           |
| Groundwater -Surface Water Studies-Usgs-Lower Elkhorn, Upper Big Blue, Big Blue      | 250,000.00            | 8           |
| Groundwater -Surface Water Studies-UNL-Lower Elkhorn-Lower Platte                    | 250,000.00            | 9           |
| Hydrographic Mapping- Update stream coverage   | 190,000.00            | 10          |
| GPS Survey- Monitoring Well Locations  | 60,000.00             | 11          |
| Monitoring Well Installation- 25% Match with NRD's                                   | 430,000.00            | 12          |
| Surface Water Gauges   | 150,000.00            | 13          |
| <b><u>Computer support and GIS</u></b>   |                       |             |
| Land Survey Map Update   | 123,000.00            | 14          |
| Geographic Information Systems and Database  | 30,000.00             | 15          |
| Internet and NRD Support Person  | 65,000.00             | 16          |
| <b>TOTAL</b>   | <b>2,363,000.00</b>   |             |
| <b>GRAND TOTAL</b>   | <b>3,863,000.00</b>   |             |

POTENTIAL WATER POLICY LEGISLATION DRAFT STATE LEVEL IMPLEMENTATION BUDGET COMMITMENTS

Draft 9/29/05

BUDGET AND  
COMMITMENTS -  
FY 06 AND FY 07  
COMBINED

|   |                      |
|---|----------------------|
| <b><u>NDNR Administration/Database Development/Preparation</u></b>  |                      |
| 3 NDNR Staff Positions and Office Overhead<br>(Hydrologist, Lawyer, Water Administrator)<br>(Also transferred one staff to coordinate IMPs)                                       | \$400,000            |
| <b><u>Additional DNR Equipment/Supplies, Travel, etc.</u></b>   |                      |
| - Printer   |                      |
| - Plotter   |                      |
| - Computers and Software  |                      |
| - Furniture   |                      |
| - Extra Travel  |                      |
| - Printing/Copying/Publishing/Postage   | \$200,000            |
| <b><u>Development of a Database for Integrated Management</u></b>   |                      |
| - Development of Database Architecture  |                      |
| - Collection of the Data  |                      |
| - Contract/Consultant for Improved DNR Recordkeeping<br>Updating, Capability Enhancement  |                      |
| a) Copy well registrations from microfilm to electronic<br>media/scanning and scan & index NRD plans and documents  | (\$15,000)           |
| b) Have sw paper files coded, & electronic display (primarily coding)<br>- Storing & displaying electronic images<br>- Assist in coping, digitizing SW maps, processing SW applic | (\$240,000) S        |
| c) Platte River Water Decision Support System   | (\$55,000) S         |
| d) IWIP Contract  | (\$60,000)           |
| e) Other  | (?)                  |
| <b><u>Specialized Studies/Evaluation - General</u></b>  |                      |
| <b>Studies/Work Activities by UNL</b>   | <b>\$571,301</b>     |
| - Consumptive Use Research  | (\$8,000)            |
| - Water conservation education package  | (\$12,000) S         |
| - FY05 Specific Yield and Transmissivity  | (\$41,361)           |
| - Provide econ info to assist in fully approp & other determinations  | (?)                  |
| - Hydraulic Conductivity Specific Yield & Transmissivity Mapping &<br>Index/ make electronic UNL well log, pump test & other datasets   | (\$144,927)          |
| - Aquifer-Stream Interaction in Upper Niobrara  | (\$16,172)           |
| - Box Butte County/Niobrara Regional Hydrologic Model   | (\$66,189)           |
| - CALMIT Land Use-Remainder of State  | (\$282,652)          |
| <b><u>Contracts for Technical Studies or Modeling</u></b>   |                      |
| - Geotechnical Work - test holes, aquifer tests, etc.   | (?)                  |
| - Local Specialized Study Funds   |                      |
| - UNWNRD  |                      |
| - Future COHYST Model Maintenance   | (\$80,000)           |
| - Future DNR COHYST Study   | (\$60,000)           |
| - Other   | ----                 |
| Loup-Elkhorn GW Model   | (\$240,000)          |
| - Alternate Supplies<br>(Blue Basin Study)  | (\$50,000) S         |
| - 24 Stream Gages and record keeping  | (\$130,000) S        |
| <b><u>Planning and Implementation</u></b>   |                      |
| - Staff to Assist NRDS  | (?)                  |
| - Development of Technical Information for Joint Mgmt<br>Plans (model runs, economic analyses, etc.)  | (?)                  |
| - Frenchman Valley Study  | (\$100,000) S        |
| <b>SUBTOTAL - CONTRACTUAL / STAFF / ADMIN.</b>  | <b>(\$2,201,301)</b> |
| <b><u>Assistance/Incentives for Implementation Plans</u></b>  |                      |
| <b><u>Incentives/Payments</u></b>   |                      |
| - Other Incentives  | (\$398,699) S        |
| - CREP Commitments  | (\$5,000,000)        |
| - Republican Pilot Project / Equip  | (\$1,000,000)        |
| <b>SUBTOTAL - INCENTIVES / ASSISTANCE</b>   | <b>(\$6,398,699)</b> |
| <b><u>TOTAL</u></b>   | <b>\$8,600,000</b>   |

\$1,100,000 in FY 05 Carryover is included in this budget

S=Soft Commitment

Note: This budget places all uncommitted funds in the "Other Incentives" category

# Form Number 510

## Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

|   |      |             |
|---|------|-------------|
| Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required. |      | Page Number |
| AGENCY  | CODE | DESCRIPTION |
| PROGRAM   | 029  | DNR         |
| REQUEST   | 310  |             |

### Description of Request

The purpose of this submission is to request supplemental funds to help implement the integrated water management provisions of LB 962 (2004). The funds are being sought for four general purposes: (1) The additional support of staff to help DNR implement provisions of the law (\$485,000), (2) contract work and contract personnel to help perform needed studies (\$615,000), (3) funds to help NRDs in the Platte River Cooperative Agreement area continue to develop and administer activities related to the agreement (\$400,000), and (4) supplemental funds to help Natural Resources Districts develop and administer the programs that will allow them to comply with the law (\$2,000,000).

### Rationale for Request

Implementation of the integrated water management provisions of LB 962, the activities of the Republican River Compact implementation, the drafting and implementation of a Platte River Cooperative Agreement, are all activities that are all likely to have very significant economic impacts for Nebraska. All of these activities, however, involve complex geologic work, have complex legal and administrative aspects, and involve multiple layers of government, all the while increasing the volume of the Department's regulatory/administrative workload. Implementation of the law can especially be helped by better geologic research. This research allows us to better plan and manage the state's water resources so that we can address the major intent and requirement of LB 962, namely to meet the required goal of sustaining a balance between water uses and water supplies so that the economic viability, social and environmental health, safety, and welfare of the state's river basins can be maintained for both the near term and the long term. Without good research making the right decisions on regulations, incentives or water management planning activities is very difficult. The decisions themselves are less likely to have public acceptance and the resulting rules and regulations are more subject to legal challenge.

Specific positions that are needed to help address these needs include the following:

- A) Personnel Needed for LB 962 Implementation
  - 1) Positions Currently Assisting With the Implementation of LB 962 - When LB 962 passed, the department added three new positions to help implement the new law. One position was in our water administration division to replace the ground water specialist who was moved from that division to a new position in the planning and technical assistance division to act as the integrated management planning process coordinator. Under LB 962 the department and the NRDs are required to jointly develop an integrated management plan if a basin is determined to be fully or overappropriated. The coordinator works closely with department staff and NRD boards, managers, and staff to implement this joint planning process. The department also created and filled a position for a ground water geologist to coordinate the department's technical work and to assist the NRDs to develop the necessary data and analyses to implement LB 962. Finally the department hired an additional attorney to assist with the new legal responsibilities that resulted from the passage of LB 962.
  - 2) Surface Water Rights Administrator – In recent years the department's water administration section has been struggling to process applications for permits to use water. With water becoming more scarce and therefore more valuable and with the passage of LB

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State of Nebraska – Administrative Services – Budget Division

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962, the number of permit applications has increased, the nature of the permits before the department has become more complex, and there is greater likelihood of a legal challenge to the department's decision. The department has been aggressively seeking to streamline the permitting process both by trying to simplify procedures as much as possible under the law and by applying up to date computer mapping techniques and other computerized tools. Currently the department has a backlog of over 400 new permits. In addition, with the prospect of being in a basin that is determined under LB 962 to be fully appropriated, requests for the department to adjudicate existing water rights have increased. Adjudication of additional river basins further increases the workload but is needed to help clarify people's water rights and water use levels. Also, department water administration staff have been working overtime to process CREP and EQIP applications. This new position would help the department reduce our water administration backlog and enable us to process permit applications in a timely manner. The new position would review material and make recommendations to the director on whether to grant new permits, conduct administrative hearings or function as an examiner in the hearings, and assist legal counsel in preparing legislation and reviewing and revising departmental rules and regulations. Without this new position, the backlog of unprocessed permits will increase and the frustration of the public with the department will also increase.

3) Ground Water Registration Modifications Assistant – Before the passage of LB 962 the well registration database was merely a record to allow the state to have a general idea of the location and use of wells for health and general informational purposes. With the passage of LB 962, the groundwater well registration database is being used by individuals as documentation and verification of their ground water uses for certification purposes in fully appropriated areas. The use of the database for water use planning and management purposes has also increased. The database is also utilized for compact compliance purposes and for the determination of which basins are fully appropriated under LB 962. This increased reliance on the well database to certify individual well owner's rights to pump ground water has been an incentive for well owners to insure their well is accurately registered and as a result requests for well modifications has increased substantially. In addition, staff has received a large increase in requests for information from the well database by planning and management entities. These activities have increased the department's workload substantially. This new position would provide one additional person to process and evaluate ground water well registration modification forms and would contribute to updating the accuracy of the groundwater well database.

4) Stream Gaging Software Implementation / Records Coordinator –

Again with the passage of LB 962, there has been an increased demand for good stream gaging information and for more stream gages. With current staff levels, if the department establishes additional stream gages, we would have to eliminate a comparable number of stations elsewhere. The department is also trying to modernize its stream gaging program to keep up with the increased demands for more timely information for decision support systems needed for water administration. This position would allow us to make our stream gaging more efficient by coordinating the adoption of new stream gaging database software by field offices, help revise website presentation of stream gaging material, and help make current and historic stream gaging database material more compatible with other databases. It would also allow us to establish a limited number of new gaging stations to help provide data for the development and implementation of integrated management plans.

# Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

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5) LB 962 Information/Education Coordinator –

As Nebraska moves into the integrated management of surface water and ground water supplies, the department is being asked to provide more education to the general public on both the technical and legal aspects of the new law. This position would produce and disseminate materials in various formats explaining agency activities related to implementation of integrated water management planning laws and work with other department staff to present this information to the general public. The position would also assist with web presentation and compilation of individual integrated management plan material and would report to the Integrated Management Planning Coordinator.

6) Groundwater Modelers (2) –

As the department has started to implement the requirements of LB 962, the department has become extremely concerned that the implementation of this new law will not succeed if we do not have sound technical information, data and analyses on which to base the decisions of both the department and the NRDs. Public trust in decisions is undermined if the scientific bases for a decision is found to be faulty. Also, if departmental and NRD rules and regulations are not based on sound science, the chances of our rulings being legally determined to be arbitrary and capricious increases significantly. In addition the NRDs are looking to the department for technical information as they put together their integrated management plans. If the department can be more proactive in meeting these demands for information, we believe we will eliminate costly problems and possible litigation in the future. The addition of at two ground water modelers would allow the department to meet the new demands of LB 962. These positions would provide expert technical work for the development of new ground water models and the application-maintenance of existing models with in support of the integrated management of the waters of the state both to comply with LB 962 and with the Platte River Implementation Program if the Governor chooses to sign on to the program. Report writing and review, data analysis and presentation are key responsibilities of these positions..

B) The specific contract work that would be most useful to work on in FY 07 includes:

Modeling - Senior Modeler Contract – This would consist of a part-time contract with a highly experienced outside modeler to help oversee ground water/surface water modeling work by DNR staff and help insure that the studies will be scientifically sound and defensible.

Geologic and Hydrogeological Mapping Glacial Areas, Surface and Subsurface – Much of eastern Nebraska’s hydrogeology is highly complex with water associated with geology strongly influenced by past glaciation. Research on this topic can help us know more about the likely impacts of pumping in these highly complex areas. This work will help the department to ensure its determinations of fully appropriated areas are based on sound technical information and will also help the NRD’s insure that the rules and regulations of any resulting integrated management plans are defensible.

# Form Number 510

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Evapotranspiration on Work Cost-Shared with Other Parties – Evapotranspiration can have a huge impact on how a well impacts a stream and therefore on what areas are subject to a moratorium and what areas need to be included in an integrated management plan. Unfortunately there is not a lot of research on this important component of the water budget. Doing more analyses on the impact of evapotranspiration will help us to insure we have the best data possible to determine what areas should be the subject of an integrated management plan.

Surface and Aerial Geophysics – Glacial Areas Concentrated on Elkhorn / Lower Platte – This work is directly related to developing an understanding of the ground water-surface water relationships of the glacial terrains of eastern Nebraska. This will be a cooperative project with the USGS, which is providing matching funds. The Conservation and Survey Division will also participate. Without this information it will be more difficult to draft reliable maps of the hydrological connections between ground water wells and streams in the eastern portion of the state.

C) Funds to help NRDs in the Platte River Cooperative Agreement Area continue to develop and administer activities related to the Agreement:

In order to facilitate state participation in the interstate cooperative agreement process for the Platte River through FY 06, the DNR annually received General Fund appropriations of \$400,000 to disperse to NRDs for their participation in the process. In the FY 06-FY 07 biennial budget, \$400,000 was made available for the first year, but included \$0 for the second year. Because NRD participation in this process is essential, and the state faces difficult legal and financial challenges if an agreement is not implemented, continued funding for this effort is needed.

D) Supplemental funds to help Natural Resources Districts develop and administer the programs that will allow them to comply with the law:

In a survey of natural resources districts, a need of around \$6 million per year in upcoming years to deal with the administrative aspects of implementing laws on integrated management of surface water and groundwater was agreed upon, with the local funding portion estimated to be at \$4 million. There was agreement within the Water Policy Task Force, which was created by the Legislature in 2002 (LB 1003, Sec. 2), that the state supply the other \$2 million. These funds would be used for a wide variety of activities such as certifying irrigated acres, installation and reading of well meters, and regulatory activity.