

Dave Heineman
Governor

STATE OF NEBRASKA

DEPARTMENT OF NATURAL RESOURCES
Ann Bleed
Director

August 1, 2007

IN REPLY TO:

Lisa Beethe
Grants Administrator
Nebraska Environmental Trust
700 South 16th Street
Lincoln, NE 68508-3703

**RE: Quarterly Progress Report and Final Report for Project Number 05-161 –
Nebraska Augmentation Program for USDA Conservation Reserve Program Efforts**

Dear Ms. Beethe:

Attached is a copy of the Quarterly Report for the period of April 1, 2007 to June 30, 2007 as well as a copy of the Final Report for Project Number 05-161 – Nebraska Augmentation Program for USDA Conservation Reserve Program Efforts. If you have any questions, please don't hesitate to contact me at (402) 471-3955.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Gaul".

Steve Gaul
Designated Project Representative

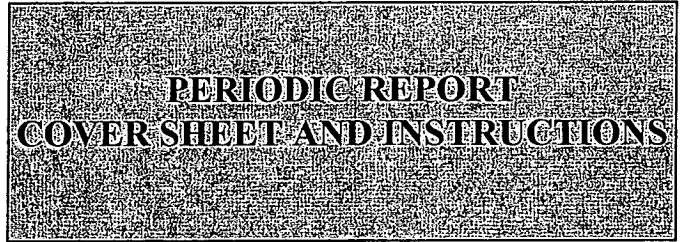
Attachment

planning&assistance/gaul/2007



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Please use this form to file periodic project reports as required in your Trust grant contract. These reports should consist of the following four parts:

- The Cover Sheet.** Please complete the information below as requested.
- Request for Reimbursement.** You must submit **original** invoices to document each expense for which you request reimbursement, unless otherwise provided in your grant contract. Each invoice must contain the name, address and social security or federal tax identification number of the vendor, and an **itemized list** of services or goods with costs and the dates of service or delivery. If invoices contain non-grant items, clearly note the exceptions. On the reverse of this page you will find a table entitled "Summary of Invoices Submitted for Reimbursement." List each invoice on the table, providing the information as requested. Be sure the expenditure description contains sufficient information to determine that the item or activity is a legitimate project expense. The column "Budget Category" references the categories you created in your contract budget outline: each invoice must identify which category name it falls under. Copy the table if you need additional reporting space. Clip the invoices in the order listed on the Summary sheet.
- Project Narrative.** On a separate page(s), describe project activities, partners and results of the project for this period. If modifications were made to the project, describe the changes and explain why they were necessary. Quantify any results you can, for example, acres restored, pounds recycled, etc.
- Report on Matching and In-Kind Expenditures.** Use this form to report all resources expended on the project other than those funded by the Trust. Examples of these costs could include materials, labor, donations, other matching funds or volunteer labor time.

Project Sponsor: Nebraska Department of Natural Resources

Fiscal Agent: Steve Gaul, Designated Project Representative

Fiscal Agent Address: 301 Centennial Mall South, P.O. Box 94676, Lincoln, NE 68509-4676
(street address, city, state, zip code)

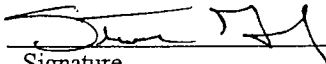
Nebraska Augmentation Program for USDA 05-161
Conservation Reserve Enhancement Program

Project Title: Efforts **Project No.:** _____

Reporting Period: April 1, 2007 to June 30, 2007 **Tax I.D. #** 47-0491233

TOTAL AMOUNT REQUESTED FOR THIS PERIOD: \$0.00 ACH or CHECK

I certify that this report is correct and just; that all expenses were necessary expenses of the project and were incurred in accordance with the approved grant agreement, including any amendments thereto; and that progress of the work and services under grant contract is satisfactory and consistent with the amount billed. As the Sponsor named above, or agent thereof, I hereby claim reimbursement from the STATE OF NEBRASKA for the attached and itemized expenses, for which payment has not previously been made by the STATE OF NEBRASKA.

FOR THE SPONSOR:  **DATE:** 8/1/2007
Signature

Steve Gaul **TITLE:** Designated Project Representative
Typed or Printed Name

DATE:



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REPORT ON MATCHING AND IN-KIND EXPENDITURES

Please summarize all resources expended on the project other than those funded by the Trust. Examples of these costs could include materials, labor, donations, other grants, matching funds or volunteer labor time.

ITEM	SOURCE	VALUE
Value of Salary & Benefits of Employee	Double-click to enter text	\$129.42
Value of Salary & Benefits of Employee		\$366.96
Value of Salary & Benefits of Employee		\$464.31
Value of Salary & Benefits of Employee		\$2,172.48
Value of Salary & Benefits of Employee		\$436.31
Value of Salary & Benefits of Employee		\$904.00
Value of Salary & Benefits of Employee		\$3,727.71
Value of Salary & Benefits of Employee		\$121.42
Value of Salary & Benefits of Employee		\$126.30
Value of Salary & Benefits of Employee		\$283.36
Value of Salary & Benefits of Employee		\$1,682.55
Value of Salary & Benefits of Employee		\$2,087.44
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
	TOTAL	\$12,502.26

Report for period from 04/02/07 to 06/30/07

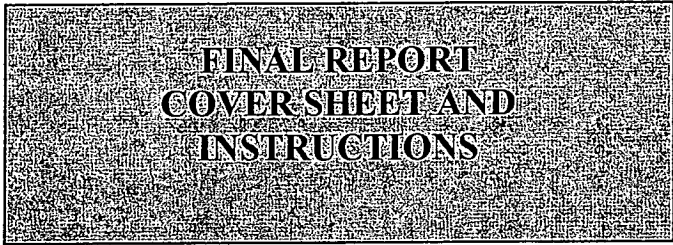
PERIODIC REPORT – APRIL 1, 2007 TO JUNE 30, 2007
*Project 05-161 Nebraska Augmentation Program for Conservation Reserve
Enhancement Program Efforts*

The purpose of this effort has been to administer a major project that will help reduce the quantity of water being used in selected areas of the Platte and Republican River Basins in Nebraska while providing additional conservation/environmental benefits. The final Environmental Trust Funds were used in the January 1, 2006 quarter. All expenditures on the current quarter are in-kind for Department of Natural Resources staff. This is the final quarterly report for this project. During the April 1 to June 30 quarter expenditures in NDNR staff time and benefits had a value of \$12,502.26. A total of 586 staff hours were devoted to the project during the quarter. A sheet is attached which provides in-kind hours and expense per employee. Although employee names are not provided, those can be provided upon request.



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Please use this form to file your FINAL project report for your Trust grant. The final report must be filed **in addition to** your last periodic report as specified in your grant contract. The final report consists of the following three parts:

1. **The Cover Sheet.** Please complete the information below as requested.
2. **Report on Matching and In-kind Expenditures.** (reverse side of this form) Use this form to report all resources expended on the project other than those funded by the Trust for the ENTIRE grant period. This is a summary of all matching/in-kind contributions for the entire grant period.
3. **Summary Narrative.** On a **separate page(s)** provide a summary of all activities from the **start of the project through completion.** This summary should include partner contribution information and results of the project. If modifications were made to the project after the grant was awarded, describe the changes and explain why they were necessary. We are primarily interested in the project for the period of the Trust participation for the purposes of this report. The final report must discuss the results or success of the project, including quantifying results, for example, acres restored, pounds recycled, # of trees planted, etc.

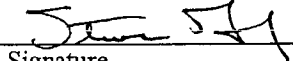
Project Sponsor: Nebraska Department of Natural Resources

Project Title: Nebraska Augmentation Program for
USDA Conservation Reserve
Enhancement Program Efforts Project No.: 05-161

Project Start Date: April 1, 2005 End Date: June 30, 2007

Award Amount: \$30,000 Expended Amount: \$30,000

Amount Refunded: \$0.00

FOR THE SPONSOR:  DATE: 8/1/2007

Signature

Steve Gaul TITLE: Designated Project Representative

Typed or Printed Name

Nebraska Environmental Trust Signature

DATE: _____



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REPORT ON MATCHING AND IN-KIND EXPENDITURES

Please summarize all resources expended on the project other than those funded by the Trust. Examples of these costs could include materials, labor, donations, other grants, matching funds or volunteer labor time.

NOTE: Different time reporting periods in table - see narrative text.

ITEM	SOURCE	\$ VALUE
DNR CREP Cash Match	(DNR April 1, 2005 through July 13, 2007)Double-click to enter text	\$1,345,412.00 *
DNR Staff Time Match	(DNR April 1, 2005 through June 30, 2007)	\$180,586.42
Other DNR In-Kind*	(DNR March 1, 2005 through June 30, 2007)	\$4,332,899.20 *
(Aggregate Amount Reported by Other Agencies**	(Multiple Agencies-March 1, 2005 through September 30, 2006)	\$5,922,801.10*
(NOTE: This is reported total for when other agencies were asked to provide information on their expenditures on current water conservation activities. Water quality activities and wildlife enhancement activities in the project area. The total figure is compiled from reports of those agencies and may reflect their interpretations. Period is March 1, 2005 to September 30, 2006. Breakdown by agency available on separate sheets. Other agencies contributing included Nebraska Game & Parks Commission, Nebraska Department of Agriculture, Bostwick Irrigation District, Pathfinder Irrigation District, Central Nebraska Public Power & Irrigation District, Central Platte NRD, North Platte NRD, Twin Platte NRD, Tri-Basin NRD, Lower Republican NRD, Middle Republican NRD, and Upper Republican NRD)		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00



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		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00
	TOTAL	\$5,858,897.60 DNR Only Total

Report for period from March 1 or April 1, 2005 to September 30, 2006 or June 30, 2007,
or July 13, 2007

*These amounts were not reported on quarterly progress reports, were generally available only in larger time periods and have been gathered in the aggregate only for this final report. The quarterly reports only included the value of DNR staff time in-kind.

**Includes Republican Basin water buyout, EQIP match, Water Quality Fund, Soil and Water Conservation Fund, advertising and legal costs for March 1, 2005 to September 30, 2006 period.

**FINAL SUMMARY NARRATIVE – PROJECT 05-161 – NEBRASKA
AUGMENTATION PROGRAM FOR USDA CONSERVATION RESERVE
ENHANCEMENT PROGRAM EFFORTS**

This grant supplied Nebraska Environmental Trust funding for initial state administrative support of a major effort that is helping to reduce the quantity of water being used in selected areas of the Platte and Republican River Basins in Nebraska while providing additional conservation/environmental benefits.

That effort, the Nebraska Platte-Republican Conservation Reserve Enhancement Program (CREP), has been in effect since April 4, 2005. The Nebraska Platte-Republican CREP is a combined program of the United States Department of Agriculture, Farm Services Agency and the State of Nebraska whose goal is to improve water quality and quantity, and create or restore wildlife habitat by converting irrigated cropland to non-irrigated habitat. The elimination of irrigation reduces the amount of nitrogen, phosphorus and atrazine that leaches into the ground and surface water and the vegetative buffers reduce run-off into streams and rivers. The Platte-Republican CREP resource area covers an approximate 2-mile stretch on either side of the Republican and Platte Rivers. It extends from the Wyoming border to Central Nebraska to include 100,000 cropland acres near the Republican and Platte rivers and their tributaries.

In total up to \$ 122 million in federal funds are to be made available to the program. Five million dollars in state funds have also been appropriated for program cost share, although most of that has not yet been spent. To date 45,289 acres have been enrolled in the program. As of July 13, 2007, \$1,345,412 in State CREP designated funds had been expended to meet the State's portion of the 50% cost-share of practice establishment. In-kind services by natural resources districts, irrigation districts and other organizations were also very significant.

The program has been successful in reducing consumptive water use. The 434 contracts and 42,014 acres enrolled in the program as of September 30, 2006 were examined to determine consumptive water use savings as of that point in time. A total of 238 of those contracts were on acres that had been served by groundwater and consumptive use savings on those acres were estimated to be 28,162 acre feet.

The Nebraska Department of Natural Resources is responsible for approving the Water Use Contract to retire the use of water on the land enrolled in CREP for a period of ten to fifteen years. The Water Use Contract is a binding legal document between the applicant and the State to secure the beneficial use of the water historically applied to the land for the contract period. When the contract expires full use of the water enrolled in CREP is returned to the applicant. CREP applications and the accompanying Water Use Contracts that are associated with the use of natural flow surface water appropriations must also have an approved temporary surface water transfer before the Water Use Contract can be approved.

The \$30,000 provided by the Nebraska Environmental Trust was used to help offset personnel costs for the project and the expenditures requiring Environmental Trust Fund reimbursement were completed by no later than March 2006. The project is expected to continue into the future and is not expected to end until all anticipated contracts have been signed and their provisions successfully completed.

OCT 1 2005 to Sept 30 2006

Agency	Type of Service	\$	Total By Agency
Bostwick Irrigation District	Direct Canal Expense	151,318.00	478,069.00
	General Operating Expense	140,445.00	
	Administrative Expense	186,306.00	
Pathfinder Irrigation District	Underground Pipeline Program	74,000.00	208,292.00
	System Automation to Improve Water Management	22,000.00	
	Annual Silt Sealing Project	8,802.00	
	Main Canal Compacted Clay Lining Project	16,500.00	
	District wages for above programs	57,600.00	
	Salary of PT Water Conservation Officer	27,390.00	
CNPPID		4,260.27	4,260.27
NPPD	Salary	69,680.00	26,695.00
	Sutherland Project Conservation Activities	27,323.00	
	Dawson Co Canal Conservation Activities	26,552.00	
	Sothenburg Canal Conservation Activities	30,522.00	
	Kearney Canal Conservation Activities	26,894.00	
NE DEPT of AG	Nebraska Buffer Strips	26,695.00	26,695.00
DNR	Wages - 2006	100,864.63	4,257,985.60
	Advertising	685.00	
	Soil and Water Conservation Fund	187,067.22	
	Natural Resources Water Quality Fund	70,891.55	
	Republican 'Buy-Out'	3,014,500.00	
	CREP Cost Share	863,777.40	
NE Game and Parks		398,800.16	398,800.16
CPNRD		32,000.00	32,000.00
TPNRD		77,385.47	251,035.63
NPNRD	Wages and Benefits	110,782.00	
	Groundwater Studies	62,868.16	
TBNRD	Conservation CS Water Management Practices	150,903.03	150,903.03
LNINRD	estimated TBNRD from last year's submittal		332,356.00
MRNRD	Salaries	34,600.00	143,235.00
	Benefits	14,500.00	
	Cost-Shares	2,950.00	
	WILD/Builders	1,860.00	
	Information and Education	1,550.00	
	Groundwater Mngmt	69,700.00	
	Equipment	1,075.00	
General Operating	17,000.00		
URNRD		180,000.00	180,000.00
			7,115,896.19

FY 04 - 05
Through Sept 30, 2005

Agency	Type of Service	Total By Agency
Bestwick Irrigation District	Direct Canal Expense	153,636.00
	General Operating Expense	140,435.00
	Administrative Expense	171,721.00
		465,792.00
Pathfinder Irrigation District	Underground Pipelined Program	110,000.00
	System Automation to Improve Water Management	58,891.00
	District Wages for above programs	56,000.00
	Salary of PT Water Conservation Officer	19,250.00
		244,141.00
CNPPID		15,153.62
NPPD		15,153.62
NE DEPT of AG	Salary	68,560.00
	Sutherland Project Conservation Activities	12,300.00
	Dawson Co Canal Conservation Activities	15,940.00
	Gottsburg Canal Conservation Activities	42,895.00
	Kearney Canal Conservation Activities	11,712.00
	Nebraska Buffer Strips	25,825.00
DNR		25,825.00
NE Game and Parks	Wages	100,647.60
	Legal Costs - Notices	8,905.56
	Soil and Water Conservation Fund	100,556.13
	Natural Resources Water Quality Fund	37,453.74
	EOIP	911,128.00
		1,158,691.03
Agency		176,554.33
CPNRD		360,007.11
NPNRD		360,007.11
TPNRD	Wages and Benefits	85,466.87
	Groundwater Studies	136,843.00
	Conservation CS Water Management Practices	345,265.69
TBNRD		567,575.56
		150,903.03
LNRRD		150,903.03
MRNRD		176,196.00
		176,196.00
URNRD	Salaries	55,580.00
	Benefits	22,900.00
	Cost-Shares	6,000.00
	WILD/Buffers	1,860.00
	Information and Education	1,000.00
	Groundwater Mgmt	20,000.00
	Equipment	2,800.00
	General Operating	16,700.00
		127,840.00
		225,000.00