

Estimated Potential Integrated Management Needs/Costs – Operational Expense Needs Versus Incentive Expense Needs
(Based on Survey of NRDs – Expenditure Categories Assigned Based on Closest Match with Summary Sheets Submitted by NRDs)

Total of OA, FA, and ND Operations	Estimated Costs FY2005-2006	Estimated Cost FY2006-2007	Estimated Cost FY2007-2008	Estimated Cost FY2008-2009
OA	2,992,055	3,572,393	3,753,767	3,114,011
FA	3,546,110	4,264,823	3,545,038	3,115,091
ND	1,754,236	2,224,323	1,867,434	1,838,116
Total of OA, FA, and ND	8,292,401	10,061,539	9,166,239	8,067,217

Incentives	Estimated Needs FY2005-2006	Estimated Cost FY2006-2007	Estimated Cost FY2007-2008	Estimated Cost FY2008-2009
TOTAL	20,425,000	31,365,000	31,415,000	21,465,000

Overall Total **28,717,401** **41,426,539** **40,581,239** **29,532,217**

Note: Meters and Meter Cost Share Were Counted as Part of Operations Rather than as Incentives

Distribution of Estimated Potential Integrated Management Costs/Needs –

Operations Versus Incentive Expense in NRDs that Include Overappropriated Area and NRDs in Republican Compact Areas

(From Survey of NRDs – Expenditure Categories Assigned Based on Closest Match with Summary Sheets)

Operations	Estimated Needs	Estimated Cost	Estimated Cost	Estimated Cost
	FY2005-2006	FY2006-2007	FY2007-2008	FY2008-2009
TBNRD	431,957	453,899	476,594	500,423
SPNRD	778,600	827,550	854,300	925,500
URNRD	270,000	280,000	290,000	300,000
NPNRD	398,000	836,500	930,000	848,000
TPNRD	289,897	347,145	354,573	362,188
LRNRD	116,900	129,900	142,900	
MRNRD	197,700	188,400	196,400	177,900
CPNRD	509,000	509,000	509,000	
TOTAL	2,992,055	3,572,393	3,753,767	3,114,011

Incentives	Estimated Needs	Estimated Cost	Estimated Cost	Estimated Cost
	FY2005-2006	FY2006-2007	FY2007-2008	FY2008-2009
TBNRD				
SPNRD	-	625,000	625,000	625,000
URNRD	10,000,000	10,000,000	10,000,000	10,000,000
NPNRD	375,000	500,000	500,000	500,000
TPNRD	-	640,000	640,000	640,000
LRNRD	10,000,000	10,000,000	10,000,000	
MRNRD	50,000	9,600,000	9,650,000	9,700,000
CPNRD				
TOTAL	20,425,000	31,365,000	31,415,000	21,465,000

TOTALS	Estimated Needs	Estimated Cost	Estimated Cost	Estimated Cost
	FY2005-2006	FY2006-2007	FY2007-2008	FY2008-2009
TBNRD	431,957	453,899	476,594	500,423
SPNRD	778,600	1,452,550	1,479,300	1,550,500
URNRD	10,270,000	10,280,000	10,290,000	10,300,000
NPNRD	773,000	1,336,500	1,430,000	1,348,000
TPNRD	289,897	987,145	994,573	1,002,188
LRNRD	10,116,900	10,129,900	10,142,900	NONE GIVEN
MRNRD	247,700	9,788,400	9,846,400	9,877,900
CPNRD	509,000	509,000	509,000	NONE GIVEN
TOTAL	23,417,055	34,937,393	35,168,767	24,579,011

Note: Meters and Meter Cost Share Were Counted as Part of Operations Rather than as Incentives

NRD BUDGETARY RESPONSE INFORMATION

DNR REQUESTS

To: NRD Managers
Subject: Request for Explanatory Material/Paragraph on NRD Integrated Management Budgets
Cc: Dean Edson, Ann Bleed, Jim Cannia, Kris Reed
X-Attachments: C:\Attachments\Summary of Budget Info, Sept 13, 2005.xls;
C:\Attachments\08-23-05 Funding Budget\1 Septrev3.xls;

In its September 8 meeting the Water Policy Task Force Funding Subcommittee requested supplementary information on the integrated management planning budgetary spreadsheets NRD managers provided over the last ten days. The spreadsheet information was much appreciated by the Subcommittee and I have attached an updated version of the summary information that was provided to them. What the Subcommittee specifically indicated it would find helpful is having managers provide a paragraph or two about how they derived the budget figures provided in the spreadsheets. One topic of special interest was how budgetary amounts for compliance activities/incentives were derived for NRDs that include overappropriated area and NRDs in Republican Compact areas. Any information on assumptions you used or expected funding sources would also be helpful.

I would appreciate it if managers would e-mail me the requested material by noon September 20. I will then assemble the material and forward it on to Subcommittee members. If you have any questions, please don't hesitate to call me at (402) 471-3955 or e-mail me. Thank you for your help in providing this information. It should prove helpful in Water Policy Task Force decision making efforts.

Steve

To: Jasper Fanning, Mike Clements, Dan Smith, John Thorburn
Subject: Request for Information from Republican NRDs
Cc: Ann Bleed

In addition to the e-mail I just sent to all NRD managers, I am sending this additional e-mail to Republican Basin managers because of the importance of activity in your districts. We are especially interested in the basis for your estimates of needed funds for incentives and related compliance activities in your basins. In our future discussions with those responsible for funding decisions they are likely to ask us why we are asking for specific amounts of money for incentives. Since incentives and regulation are both means of meeting Compact requirements, they may also ask about existing and anticipated allocations or other regulation. Incentives in your basins comprise most of the overall expense noted in the integrated management budget surveys the NRDs just returned. Our best understanding is that the estimates provided are based upon paying a

certain amount of money per acre to retire a certain amount of acres from irrigation over a certain number of years. Any specific information you can provide on that topic would be helpful. If you are able to provide the number of acres, lease vs sale of easement, price assumptions and timeframe, that may be helpful to us in explaining how figures were derived.

Steve

NRD RESPONSES

North Platte

From: "Ron Cacek" <cacek@npnrd.org>
To: "Steve Gaul" <sgaul@dnr.state.ne.us>
Subject: IMP Budget Follow up
Date: Mon, 19 Sep 2005 11:42:06 -0600

Steve,

With regard to follow up information for our IMP budget it is the intention of this NRD to actually certify all the water uses in the NRD. This is essential if we ever plan to go to an allocation system for the water. It also assists us in monitoring the expansion of irrigated acres in the NRD. It is also the intention to require measuring devices on all water uses except domestic and range livestock. Obviously this all takes money. The funds we show are estimates of the costs we anticipate. We anticipate needing approximately 2,500 flow meters at \$600 each for a total of \$1,500,000 in cost share.

We must provide some sort of way to transfer water as a means of reallocation of water for economic development for other uses. We do not know what this will cost to develop and implement such a program, but we put down some figures that seemed reasonable to us at this time. There are costs associated with the Stakeholders Group, with I & E programs and the need for clerical assistance. These should be fairly firm figures as they are based on actual experience.

Technical activities involve the hiring of a COHYST modeler. It is currently anticipated that the cost of this person would be shared by three to four NRDs. I would assure the person would cost between \$60,000 and \$65,000 plus benefits. Our share of the costs of the ongoing COHYST model is expected to be approximately \$25,000 for the next few years. This NRD has, for quite some time worked with the UG Geological Survey to conduct studies of our geology and groundwater to gain an understanding of our complex system. Those studies should be continued into the future, because there is still a great deal we do not understand. In addition we would like to look at some projects to make the water stretch as far as possible, such as recharge projects of the groundwater. The figures shown for these investigations some of which are ongoing should be fairly accurate through FY-09.

It takes personnel to gather groundwater quality and quantity data. We currently have two people devoted full time to this effort, but we feel that will need to increase within the next couple of years. The costs we indicated on the budget may be on the low side as personnel are an expensive part of any budget. We have drilled monitoring wells in the past and would continue drilling of these kinds of wells in the future. We need to drill these wells in formations, such as the Chadron, which have had little use in the past. Chadron wells have been developed during the

drought to provide drinking water for human consumption as well as livestock. Supplies for drinking water are a significant concern in the North Platte Valley. The NRD plans to provide some funds to supplement other local, state and federal funding.

We have an ongoing effort with the University of Nebraska looking at deficit irrigation studies. Our share of these studies is \$20,000 each year for the next two years. As all this unfolds the need for GIS systems and databases seemingly becomes very important. It takes money to develop these systems so we put in our budget \$30,000 per year for the next few years. We do not know if this is a reasonable figure, however when we get serious about this, it may well require outside consultants to help develop these systems.

Since we are in an over appropriated area and will need to return to a fully appropriated area it seems the best approach is to offer incentives to retire acres to get down to the fully appropriated status. We have budgeted money this year to begin this process first in Pumpkin Creek and then expand this program to other over appropriated areas of the NRD. In Pumpkin Creek we are hoping of putting together the funds (federal, state and local) to provide \$750 per acre for the permanent retirement of acres from irrigation. We would expect it to cost more to retire acres in the North Platte Valley. We simply put in the budget \$500,000 per year for this effort. We would hope that federal funds may be available for this purpose as well.

I hope this is the kind of response you were looking for. If you need additional clarification please contact us.

Ron Cacek, Manager
North Platte NRD
Phone: 308-436-7111
Cell: 308-631-1199

South Platte

From: "Rod Horn" <rlhorn@hamilton.net>
To: "Steve Gaul" <sgaul@dnr.state.ne.us>
Subject: Re: September 8 Funding Subcommittee Meeting

Steve,

Attached is our explanation of the estimated budget figures you requested. Please edit as you wish. Let me know if you have questions, comments and/or concerns. My cell number is 308-249-5671.

I hope this helps.

Rod

Rod L. Horn, General Manager
South Platte Natural Resources District
Telephone: 308-254-2377
Cellular: 308-249-5671

See us on our Website www.spnrd.org

Explanation on the Estimated SPNRD Integrated Management Budgets for Fiscal Years 2006 - 2009

Estimated costs were determined to support integrated management planning budgetary needs for mainly the overappropriated areas in our District for fiscal years 2006 through 2009. The budgetary estimates would also help fulfill our needs in the fully appropriated areas. Our entire District either is fully or overappropriated. Administration activities will require a considerable amount of funding resources to carryout the planning process over this period.

Likewise, technical activity contributions will be required to update and maintain the COHYST modeling process and performing SPNRD modeling work. Efforts will also be made to locate and install new monitoring wells.

Regarding compliance activities, all high capacity water wells in our District will be required to have flow meters installed by March 1, 2009. Most of the meters will be installed using federal and state cost-share dollars. The SPNRD may have to use local funds to augment the completion of this project. The SPNRD desires to have the private sector maintain the meters; however, the District will monitor this situation to determine whether they may have to intervene to keep the meters working properly. The SPNRD's Integrated Management Planning Work Group is discussing to use, as one of many tools in the toolbox, retirement of irrigated acres to help with attaining a balance between water supplies and water needs. Estimated budgetary needs include water banking, and retiring about 1,250 acres at \$500 per acre for each of the fiscal years 2007, 2008 and 2009, respectively.

Upper Niobrara White

From: "Lynn Webster" <webster@unwnrd.org>
To: "Steve Gaul" <sgaul@dnr.state.ne.us>
Cc: "Lyndon Vogt" <vogt@unwnrd.org>
Subject: Explanation
Date: Mon, 19 Sep 2005 12:46:59 -0600

Steve

Pls find attached the quick explanation you requested, if you need more let us know

LDW

Lynn D. Webster
Upper Niobrara White NRD
Assistant Manager

430 East Second Street
Chadron NE 69337
(308)432-6190 Office
(308)432-6187 Fax
webster@unwnrd.org
www.unwnrd.org

Steve,

The following is a quick explanation of how the Upper Niobrara White NRD came up with the projected budget numbers for Integrated Management Activities.

Administration and Technical activities are based on estimated time and number of employees that will work on the various activities listed, as well as projected needs for the various activities. Compliance activities are based on projected costs for meter reading and maintenance with the addition of 1 full time employee.

Middle Niobrara

From: "Middle Niobrara NRD" <mnnrd@shwisp.com>
To: "Steve Gaul" <sgaul@dnr.state.ne.us>
Subject: Re: Request for Explanatory Material/Paragraph on NRD Integrated Management Budgets
Date: Thu, 15 Sep 2005 17:43:25 -0500

Steve,

I came up with my numbers by estimating possible number of staff that might be needed, plus the extra time that current staff will have to handle additional workload. As far as legal means, I simply through out a ball park number.

Mike Murphy - MNNRD

Lower Niobrara

From: "dfilsinger" <dfilsinger@nntc.net>
To: "Gaul, Steve" <sgaul@dnr.state.ne.us>
Cc: "Duane Filsinger" <dfilsinger@nntc.net>
Subject: Paragraph of Explanation on NRD's IMB

Steve:

On the 28% 40year Model our \$ needs appear to be zero. On the 10% 50 year Model our \$ needs were projected as we reported to you. We simply took the acres that will be fully appropriated under the 10/50 model and figured how much we would need to manage our district.

Duane F. Filsinger
General Manager
Lower Niobrara NRD

P.O. Box 350
Butte, NE. 68722
402-775-2343

Upper Loup

From: "Helen White" <helenwhite@neb-sandhills.net>
To: "Steve Gaul" <sgaul@dnr.state.ne.us>
Cc: "Dean Edson" <dedson@nrdnet.org>
Subject: Explanation on Integrated Management Budgets

Steve,

Attached are a few paragraphs about how I arrived at the figures for the IM budgetary sheets. I felt I was being very conservative with the figures I listed.

Helen White
General Manager
Upper Loup NRD
PO Box 212
Thedford, NE 69166
308-645-2250
helenwhite@neb-sandhills.net

Upper Loup NRD

For Non Declared Basin

As far as administration activities if Upper Loup is not declared, I probably underestimated the \$12,000 cost at least in the FY2005-06. Updating well registrations is taking way more time than originally planned. Researching the current well registrations for current landowner and correct location, printing the current data and maps and mailing needed changes to landowners takes a lot of time. Many times calls and follow-up calls are needed. Rewording letters to fit each situation and postage take time and expense. The resources technician working on these checks back on the DNR database but the changes are pretty slow in coming so that means checking back several times. Apparently, some landowners are not taking this very seriously. Continued informational activities to inform the area water users about integrated water management and reduced pumping will continue to take time and expense.

For technical activities - We will be financially participating with Lower Loup NRD and the Elkhorn NRDs to develop a ground water model for the area. This will be in cooperation with DNR and USGS and will be at least a two year project.

Fully Appropriated Determination for Loup Basin

If the Loup Basin is determined fully appropriated, there will be increased costs to certify acres and monitor that there is being no increase in irrigated acres. Even though Upper

Loup has less farmed acres than many districts, it will again take a substantial amount of staff time and expense to get this completed for eight counties.

Continued GIS, mapping, water levels database, etc. will take more staff time and extra staff will be needed. Our FY 2006 budget asks for a 20% increase in property taxes. Our conservative board may not realize the added staff time needed or look favorably at increasing the budget yearly.

Lower Republican

Steve,

In my budgeted amounts I was figuring retiring 10,000 acres per year over the next five years. This would give us 50,000 acres new permanently retired acres in the Lower Republican. The EQIP acres I don't think you can count as they are for such a short period. The CREP will help but again after 10 or 15 years these acres will be irrigated again and then the problem compounds. The answer is permanent retirement and it's not going to be cheap. The question is does the State want to pay to fix the problem or litigate the problem. The other huge issue we face is no one at the State seems to know how much if any retirement is needed. So we're just kind of flying along by the seat of our pants. You know the old saying garbage in, garbage out. I think until we can get more modeling information and a better sense of direction the budgeting estimates you will receive will be guess work at best.

Mike

Little Blue

From: Mike Onnen <monnen@alltel.net>
Subject: Request
To: sgaul@dnr.state.ne.us

Steve,

You had ask how the district's came up with the figure for the fully appropriated implementation. On my part, it was pretty much a shot in the dark. I visited with Dan Smith to get some idea of the time requirements for his district when implementing his plan. I also had an idea of the needs that we had when we had the old groundwater control area and from other activities we've been doing since. That was how I arrived at the numbers I provided.

Mike

Michael D. Onnen, Manager
Little Blue Natural Resources District
P. O. Box 100

Davenport, NE 68335
Phone: 402 364-2145
Fax: 402 364-2484
monnen@alltel.net

Upper Big Blue

From: "John Turnbull" <jturnbull@upperbigblue.org>
To: "Steve Gaul" <sgaul@dnr.state.ne.us>
Subject: RE: Request for Explanatory Material/Paragraph on NRD Integrated Management Budgets

Steve,

We used our existing adopted groundwater management budget for the non-declared area worksheet. We estimated changes for future years. We have budgeted and carried out groundwater management activities every year since 1978.

The fully appropriated area worksheet has only the additional costs over and above the non-declared area estimates we expect in the next 3 years. No compliance costs are included, because by statute we have 3 years to complete an integrated management plan. Implementation and compliance will occur after the adoption of any integrated management plan. Stays on expansion are the only compliance to deal with until the plan goes into effect.

John C. Turnbull
General Manager
Upper Big Blue NRD
105 Lincoln Avenue
York, Nebraska 68467
402-362-6601
<http://www.upperbigblue.org/>

(Note: Although the following response was to a different e-mail it is relevant to the material included in this attachment

Gene,

It seems to me, after reviewing the summary worksheets, that by far the biggest costs are for retiring irrigated acres in the Republican Basin. We need to think about should the folks who have to reduce acres be compensated by government funds or not. Maybe you are right in that funding for such acre retirement programs need to be dealt with separately.

The Upper Big Blue NRD just made a major tax increase which includes additional funding for groundwater management. Our tax levy increased from \$.0286 to \$.0383 per \$100 of valuation. Our

estimates that we provided the Funding Committee are based on our FY 2006 budget and estimated increases over that for managing fully appropriated basins. Our Groundwater Management Area Budget is based on 26 years of expenses that we have incurred in administering Groundwater Management Areas.

The additional costs for fully appropriated basin work in our case is less than our current costs to administer our groundwater management areas. We did include a potential Environmental Trust Fund grant in our budget for water meter cost sharing over the next 4 years. That cost sharing is planned to cost \$1,500,000 over that period, somewhat less than \$500,000 per year. If the grant does not come through then the budget for those years will not include the \$1,500,000.

No compliance costs were included in our estimate. Fully appropriated basins are not faced with mandatory reduction of irrigated acres, which makes things a lot easier to deal with.

John C. Turnbull
General Manager
Upper Big Blue NRD
105 Lincoln Avenue
York, Nebraska 68467
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<http://www.upperbigblue.org/>

Lower Big Blue

From: "Dave Clabaugh" <dclabaugh@lbbnrd.org>
To: "Steve Gaul" <sgaul@dnr.state.ne.us>
Subject: RE: Spreadsheets for Request for Information on Natural Resources District Funding Needs for Integrated Water Management Activities

Steve
Attached is brief process I did on the spreadsheets.

Dave Clabaugh
Manager
Lower Big Blue NRD
805 Dorsey St P O Box 826
Beatrice NE 68310
Phone: 402-228-3402
Fax: 402-223-4441
Email: clabaugh@lbbnrd.org

Lower Big Blue NRD

Areas Not Declared

My thoughts in doing this spreadsheet was to follow what is in our budget currently for water quantity programs – water level monitoring, etc.

Fully Appropriated Areas

My best guess for this spreadsheet was that more money would be needed in latter in the process than at the beginning. Once we figured out what we needed to do for our plan, money would be needed for study and implementation of the integrated management plan. We don't currently have good gw/sw models, so we would be starting from scratch in these areas.

Lower Platte South

Subject: Paragraph on IMP Costs
From: "Paul Zillig" <Paul@lpsnrd.org>
To: <sgaul@dnr.state.ne.us>
Cc: "Glenn Johnson" <Glenn@lpsnrd.org>, "Dan Schulz" <dan@lpsnrd.org>

Steve:

The cost in addition to our existing program was approximately \$72,500. This additional cost, if fully appropriated, will be mainly for staff time required to administer, manage, document, and prepare an IMP for the implementation of LB962. These costs could increase dramatically if the "hydrologically connected" area is beyond what would seem logical.

Lower Platte North

From: "John Miyoshi" <jmiyoshi@lpmnrd.org>
To: <sgaul@dnr.state.ne.us>
Cc: <langle@lpmnrd.org>
Subject: [[Spam???]] 962 Budget

Steve,

Attached is the narrative for our projected 962 needs. If this is not correct or you see needed changes, please let me know.

John

John R. Miyoshi - General Manager
Lower Platte North Natural Resources District
Box 126
511 Commercial Park Road
Wahoo, NE 68066
ph. 402-443-4675

Lower Platte North NRD
Cost of Compliance with L.B. 962
September 20, 2005

Education and Information

\$5,000 year one, then \$3,000 each additional year

Cost of paid advertising, brochures, mailings and public meetings

Clerical

\$40,000 year one, then \$10,000 each additional year

Main cost of certification of acres will be the clerical time to work one on one with producers. All clerical staff use GIS so all data bases are geo-referenced. We will have high expenses in year one to certify all acres, then maintenance updating for all additional years.

Stakeholders Group

\$5,000 years one and two, then \$2,000 each additional year.

Expenses associated with these meetings including advertising, mileage, printing and research will be high the first two years, then more of a maintenance role. We plan to expand our current Ground Water Management Steering Committee into this new role.

Planning

\$30,000 year one, \$20,000 year two then \$10,000 each additional year.

We are prepared to use professional assistance in preparing our initial plan and Rules and Regulations. Management of this process will be the top priority for our staff and Board.

Monitoring Well Installation

\$25,000 year one, then \$10,000 each additional year.

We are planning to place five new monitoring wells this year and estimate two additional wells per year as budgeting allows. Our sub-basin delineation study which begins this year will assist us in identifying needed additions to our current monitoring system. This year we have financial assistance from the Environmental Trust and MUD (Metropolitan Utility District – Omaha) for our five wells. Additional funding assistance would increase the number and speed of installation of these needed wells.

Groundwater – Surface water Studies

\$10,000 per year for three years.

Our goal is to construct a Mod-flow model for our entire district to better understand groundwater flow and its relationship to surface water. Much of this expense is borne in studies listed below.

Modeling Update and Maintenance

\$20,000 per year beginning in year three

Keeping our groundwater model updated will be a continuing task once it is created.

Modeling NRD work

We have pieced out our groundwater modeling to other areas shown in this budget.

Geologic and Hydrologic mapping

\$20,000 per year for three years.

UNL Conservation and Survey is being contracted to perform a comprehensive base map of the aquifers within our district. This effort will include geology and hydrology and lays the base for our Mod-flow mapping. We have applied to the Nebraska Environmental Trust for funding assistance in this effort.

Geographic Information Systems and Database

\$20,000 per year for the first two years, then \$10,000 per year.

The heart of our compliance and record keeping system will be our geo-referenced data bases which are large time consumers to create. Once established our goal is to place relevant data on our Internet Map Server. Our second large investment in GIS is the establishment of district wide Mod-flow mapping. Again costs for these two items are spread across several lines of this budget.

Compliance Activities

\$30,000 year one, then \$10,000 each additional year

Staff time and travel for compliance are included here. We placed most non-clerical certification costs on this line.

Areas not declared

If our district is not fully appropriated, it is just a matter of time before we are. The potential expenses listed contain the same justification as listed above without the compliance and certification expenses. This budget shows we would clearly proceed knowing full appropriation is eminent.

Papio – Missouri River

Subject: RE: Request for Explanatory Material/Paragraph on NRD Integrated Management Budgets

Date: Thu, 22 Sep 2005 19:17:36 -0500

From: "Petermann, Marlin" <mpetermann@papionrd.org>

To: "Steve Gaul" <sgaul@dnr.state.ne.us>

Cc: "Bowen, Gerry" <gbowen@papionrd.org>,

"Oltmans, Steve" <soltmans@papionrd.org>,

"Petermann, Marlin" <mpetermann@papionrd.org>

Steve,

In general, what we used in coming up with the IMP budget figures I provided you on 9/2/05 was simply assuming a full time staff person (plus some administrative time) plus some Monitoring Well Installations and GW/SW Studies that all added up to around \$150,000 per year.

I hope this is helpful.

Marlin