

DRAFT 1/16/03

*Report to the Nebraska Water Policy Task Force Executive Committee
on the*

JANUARY 13, 2003 FUNDING PLANS SUBCOMMITTEE MEETING

- Four members of the Funding Plans Subcommittee to the Nebraska Water Policy Task Force Executive Committee met on January 13, 2003 in the NDNR offices in Lincoln. The subcommittee was charged with examining potential revenue sources for studies and data collection to address issues involving interrelated surface water and groundwater. It was also to address costs and the advantages and disadvantages of various funding methods.
- The subcommittee suggested two general levels of study / data collection activity, each with slightly differing preferred funding sources: 1) General State Research (state funded), and 2) Locally oriented studies (jointly funded by the state and local NRDs).
- The subcommittee declined to recommend a single funding option from the list provided below, but suggested that a mix of funding sources would be best. This could perhaps include the Nebraska Environmental Trust, State appropriations, and local NRD funds. Overall, each of those three sources could share the burden, with similar contributions.
- It was suggested that the *General State Research Activity* be used to gather and catalog existing information, identify data gaps and fill them, analyze existing information, and be used to help identify which areas of the state are over-appropriated. Current UNL Conservation and Survey Division work on interpreting data for existing well logs was specifically mentioned. Placing existing data into usable form is the overall emphasis of the activity.
- The *Locally Oriented Studies Activity* would consist of two components: 1) *a statewide extension of the type of analysis now being done in the Platte River Cooperative Hydrology Study (COHYST)*. Although being done statewide, this broad analysis and modeling effort would be geared to local conditions and needs and would vary significantly in level of detail. 2) *Detailed local studies addressing specific problems and local information needs* (for implementation, etc.)
- Time requirements for the studies were estimated to be in the five to seven year range, provided funding is available. A very rough cost estimate for extending the COHYST concept to the remainder of the state was developed by extrapolating likely final total costs per square mile for the current COHYST study to the remainder of the state. However, only 50% to 63% of the COHYST cost per square mile was used because it was assumed that in many eastern areas a study of similar intensity would not be needed.

**A ROUGH ESTIMATE OF POTENTIAL NEBRASKA FUNDING NEEDS FOR
DATA COLLECTION AND ANALYSIS FOR INTERRELATED SURFACE
WATER AND GROUNDWATER**

	Rough Amounts in Millions of Dollars \$		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Statewide Study / Existing Data Gathering	2	-	2
Statewide Extension of COHYST	5.3 to 6.7	2.7 to 3.3	8 to 10
Other Localized / Detailed Studies	2.5 to 3.5	2.5 to 3.5	5 to 7
TOTAL	9.8 to 12.2	5.2 to 6.8	15 to 19
TOTAL PER YEAR (Assuming 5 to 7 Years To Completion)	1.4 to 2.4	.7 to 1.4	2.1 to 3.8

Totals Rounded to Nearest Decimal. Although funding is given of a per year basis, some loading in the 2nd or 1st year might be preferable to help studies get underway. Also the statewide cataloging and COHYST efforts might receive relatively more funding in the initial years and local/detailed studies relatively more funding later. Totals assume COHYST funding in the Platte is separate.

- The Subcommittee assembled the following brainstorming funding options. It is believed these include the options identified in the December 13 Executive Committee meeting plus additional options. It is especially recognized that these are brainstorming options only.

Types of Revenue Options / Funding Actions State Could Theoretically Take
(Brainstorming Options NOT Recommendations)

1. No New Funding – Do only what can be done with existing resources
2. One-time State Appropriation
3. Annual State Appropriations to Program
4. Dedicated State Tax Source
 - a) Cigarettes
 - b) Lottery
 - c) Collection of Water Fees (various fee structures possible)
 - Use Tax?
 - Consumptive Use Tax?
 - Irrigated Acreage Tax?
 - Basin Wide Assessments per Irrigated Acre?
 - Transfer Fees?
 - Per Capita Tax?
 - Severance Tax Based Upon Distance Water Moved?
 - d) Dedicated Sales Tax Source
 - e) Other Potential New Tax Sources, “Sin” taxes etc.
5. Establish and Fund State Competitive Grant Program

6. Raise and/or Earmark Appropriations for University research
7. Use Existing State Programs (Environmental Trust?, Other?)
8. Open Up Requirements on Use of Resources Development Fund and/or Soil and Water Conservation Fund.
9. Raise NRD Tax Lids
10. Raise Other Local Tax Lids
11. Fund or Dedicate a State Staff Member to Grant Writing for Federal and Private Programs (*potential money sources mentioned by others have included Equip, Farm Bill, High Plains Aquifer Program, and Conservation Security Program*)
12. Provide Separate Funding Sources for the Republican (Settlement Monies) and the Middle and Upper Platte River (COHYST) Versus Other Areas of the State.
13. Combined Funding Package – Environmental Trust / State Appropriation / NRD
14. Levy a Use Fee in Basins Where There is No More Unappropriated Water
15. A Fee on Wells with Different Fees on Different Classes of Wells
16. A Use Fee with One Rate for Wells Pumping Over 100 gallons per minute and Another Rate for Those Pumping Less
17. Use Leftover Money from Republican lawsuit for Interrelated Water Management Studies statewide

- It was reported that University of Nebraska personnel are meeting with EPA officials concerning the possibility of a major grant related to surface water – groundwater interrelationships. Conceivably such a grant could be used in place of some of the other funding needs identified above.
- It was suggested that funds go to the problem areas of the state first.
- It was recognized that the Platte Basin above Columbus (COHYST) and the Republican Basin (monies previously committed to lawsuit settlement) may already have funding sources that partially offset other funding needs. Republican amounts available in particular can probably be used to address portions of the funding needs identified in the above table.
- Some subcommittee members indicated discussion is needed on the impact of local property tax lids on the availability of local NRD funds for needed data collection or studies.
- The subcommittee believed that identifying exact fee levels needed for identified options was not appropriate and that identifying the advantages and disadvantages of each option was also not a needed activity at this point.
- There was subcommittee discussion of the merits of user fees, appropriations and raising local property tax lids.
- Those attending the subcommittee meeting included John Turnbull, Art Brownlee, Gene Glock, Jay Rempe, and Steve Gaul.