

1. Fund implementation and operation costs for LB 962 (\$7.5 million)
 - \$3.5 million in state funds (\$1.5 million—DNR; \$2.0 million—state aid NRDs)
 - \$4.0 million local funds
2. Additional Funding for data/research/modeling (\$2-2.5 million)
 - Needs as identified by DNR and university
 - Needs not included in DNR budget request
 - General funds—NRDs can offer financial assistance
3. Water Use Reductions (\$5-10 million)
 - a) Identify specific activities/pilot projects in Republican to be initiated in the next 1-2 years to help with compliance. Possible activities could include:
 - Surface water leases
 - Riparian management
 - EQIP in the quick response area
 - Additional CREP acres
 - Water Claim transfer idea
 - Groundwater pumping
 - Permanent retirement of CREP
 - b) Identify activities/pilot projects in the Platte Basin to begin work towards reducing impacts to stream flows to 1997 levels in over appropriated area. Possible activities could include:
 - Pumpkin Creek EQIP
 - Permanent retirement of CREP
 - CNPPID proposal
 - Catalog/identify use reductions since 1997
4. Recommend that NRDs be provided 4 cents additional property tax authorities to be used specifically for integrated plans implementation cost and water use reduction programs for local matching.
5. Recommend the state and local governments explore possible federal programs and means to leverage federal dollars to assist with programs.
6. Recommend state funding come from (the list generated earlier by the committee):
 - Earmarking state tax receipts
 - General fund appropriations
 - Annual fees on property records
 - Equitable fees on all water use (in the Legislature's charge to the Dept.)
 - Tax credits on conservation easements

7. Recommend that it is the Task Force's best estimate that the state's portion for the above types of activities related to LB 962 implementation and compact compliance into the foreseeable future will remain at the above levels (\$10-15 million). Thus, the Legislature should seriously consider a ballot referendum to create a dedicated source of funding for the long-term stewardship of our ground and surface water resources.

Task Force Recommendations Already Made:

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 - \$3.5 million in state funds (\$1.5 million—DNR; \$2.0 million—state aid NRDs)
 - \$4.0 million local funds
2. Recommend NRDs in over appropriated basins and in basins subject to an interstate compact be provided 3 cents additional property tax levy authority to be used specifically for integrated plans implementation cost and water use reduction programs.

Possible Funding Subcommittee Recommendations to Executive Committee:

3. Additional Funding for data/technical studies/modeling (\$2-2.5 million)
 - Technical study needs identified by DNR and University in cooperation with NRDs
 - Continued COHYST modeling efforts
 - General funds from state—NRDs can offer financial assistance
4. Water Use Reductions (\$5-10 million)
 - a) Specific activities/pilot projects in Republican as identified by DNR, NRDs and irrigation districts to be initiated in the next 1-2 years to help with compliance. Items under discussion include:
 - Surface water leases
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5. Recommend the state and local governments explore possible federal programs and means to leverage federal dollars to assist with programs.
6. Recommend state funding come from (the list generated earlier by the committee):
 - Earmarking state tax receipts
 - General fund appropriations
 - Annual fees on property records (\$1/record generates \$1 million)

- Equitable fees on all water use (in the Legislature's charge to DNR)
 1. 25 cent/acre fee on irrigated land (\$2 million)
 2. Fees on municipal/industrial water use and fertilizer tax
 - Tax credits on conservation easements
 - Redirect hydro tax receipts
 - Environmental Trust Fund signature project
7. Recommend that it is the Task Force's best estimate that the state's portion for the above types of activities related to LB 962 implementation and compact compliance into the foreseeable future will remain at the above levels (\$10-15 million). Thus, the Legislature should work with partners to explore the potential for a successful ballot referendum to create a dedicated source of funding for the long-term stewardship of our ground and surface water resources.
8. (Statement on use of Regulations?) The Task Force recognizes regulations will play a role in bringing water-short areas into balance. The Task Force believes the severity of regulations should be reduced to the extent possible through incentive programs to help lessen economic hardship in areas that have already paid the high price of the prolonged drought.

Task Force Recommendations Already Made:

1. Fund implementation and operation costs for LB 962 (\$7.5 million total)
 - \$3.5 million in state funds (\$1.5 million—DNR; \$2.0 million—state assistance to NRDs)
 - \$4.0 million local NRD funds
2. Recommend NRDs in over appropriated basins and in basins subject to an interstate compact be provided 3 cents additional property tax levy authority (total authority would increase to 8.5 cents) to be used specifically for integrated plans implementation costs and water use reduction programs.

Funding Subcommittee Recommendations to Executive Committee and Task Force:

3. Additional Funding for Data/Technical Studies/Modeling (\$2 million)
 - Technical study and data needs identified by DNR and NRDs
 - Modeling efforts
 - Cooperation with University and USGS
 - Total needs identified at \$3.2 million per year. Subcommittee recommends \$2 million in general funds from state directed to DNR to combine with local NRDs funds. State and local funds could be used to leverage and seek federal dollars to assist with research activities.
4. Water Use Reductions in Republican and Platte Basins
 - The funding subcommittee recognizes regulations, incentive programs to reduce water use, and other management activities will be necessary to bring water-short areas into balance. The subcommittee believes the severity of regulations should be reduced to the extent possible through incentive programs and other management activities. Such programs could help lessen economic hardship in areas that have already paid the high price of the prolonged drought.
 - The subcommittee recommends funding for incentive programs and other management activities should come from a mix of local and state sources with 90 percent provided by the state and 10 percent by NRDs. The subcommittee also recommends that regulations adopted by NRDs be considered as a local contribution. The subcommittee further recommends DNR and NRDs explore possible federal programs and means to attract federal dollars to assist with incentive programs and other water management activities.
 - The subcommittee recommends the state provide funding within the next budget year for:
 - a) Specific activities/pilot projects in Republican as identified by DNR, NRDs and irrigation districts to be initiated in the next 1-2 years to help with compliance with the Republican River Compact.

b) Identify activities/pilot projects in the Platte Basin to begin work towards reducing impacts to stream flows to 1997 levels in over appropriated area.

5. The subcommittee's estimates that significant funding needs for the types of activities listed above related to LB 962 implementation and compact compliance will remain into the foreseeable future. It is strongly recommended that the Legislature work with partners to explore the potential for a successful ballot referendum to create a dedicated source of funding for the long-term stewardship of our ground and surface water resources.

6. The subcommittee recommends state funding come from:

- Earmarking state sales tax receipts
- General fund appropriations
- Annual fees on property records (\$1/record generates \$1. million)
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5. The subcommittee estimates significant funding needs for the types of activities listed above related to LB 962 implementation and compact compliance will remain into the foreseeable future. It is strongly recommended that the Legislature work with partners to explore the potential for a successful ballot referendum to create a dedicated source of funding for the long-term stewardship of our ground and surface water resources.

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