

Natural Resources Commission

Water Sustainability Fund

Biennial Report to Legislature

2016-2017



“A biennial report shall be made to the Clerk of the Legislature describing the work accomplished by the use of funds towards the goals of the Water Sustainability Fund beginning on December 31, 2015. The report submitted to the Clerk of the Legislature shall be submitted electronically.”

The Water Sustainability Fund (WSF) is a source of financial support to help the State achieve the goals set out in § 2-1506. The Nebraska Natural Resources Commission (NRC) oversees Fund operations including selecting successful applications, and the Nebraska Department of Natural Resources (NeDNR) oversees administration. Of the funding appropriated by the Nebraska Legislature each year, 10% is designated to projects addressing combined storm and sewer water overflow, and 10% to projects requesting \$250,000 or less.

WSF applications are filed electronically between July 16th and 31st each year. Once filed, the applications are reviewed by DNR staff and those found to be "sufficient" are forwarded to the NRC for scoring. Only applications with the highest scores are funded. Funds remaining are rolled forward and added to the next legislative appropriation in an attempt to be conservative and wise stewards of taxpayer monies and to encourage the best project applications be submitted in the next round of funding.

The WSF has completed three funding cycles, one each in 2015, 2016, and 2017.

In 2015, 17 projects were approved for a total of \$11,490,502. A table showing the projects funded is below. The WSF had \$28,738,586 to allocate for funding; however, the NRC chose to fund only those projects that reached an acceptable score, leaving funds for use in the next cycle.

2015 WSF Applications Funded					
#	Applicant	Project Name	CSO	< or = \$250,000	> \$250,000
16	City of Omaha NE	Omaha CSO Program	\$2,900,452		
17	Hastings Utilities	Aquifer Storage and Restoration/Nitrate and Uranium Control			\$4,410,000
18	CPNRD	Estimating Recharge toward Sustainable Groundwater and Agriculture		\$151,680	
24	CPNRD	Groundwater Management program review for Water Sustainability		\$249,900	
19	NPNRD	NPNRD Groundwater Retirement Program			\$900,000
21	SPNRD	Western Water Use Management Model Update		\$235,500	
22	LENRD	Lower Elkhorn Water and Soil Conservation Program			\$900,000
25	ENWRA	Secondary Bedrock Aquifer Reconnaissance Sampling/Age Dating		\$96,300	
26	P-MNRD	Platte and Elkhorn River Valley Integrated Water Monitoring		\$64,200	
32	LPSNRD	Lower Platte South NRD Aquifer Framework Mapping		\$250,000	
33	UENRD	Aerial Electromagnetic Survey of the Bazile Groundwater Management Area		\$81,270	
35	LPNNRD	Groundwater Management for Mid-Summer Declines		\$200,000	
40	P-MNRD	P-MRNRD Sarpy County Aquifer Mapping		\$240,000	
41	LENRD	Lower Elkhorn NRD - Aquifer Framework Mapping		\$250,000	
42	LPNNRD	Lower Platte North NRD - Aquifer Framework Mapping		\$250,000	
44	LLNRD	Lower Loup NRD - Aquifer Mapping		\$250,000	
43	L&CNRD	Lewis and Clark Aero Electromagnetics Aquifer Mapping		\$61,200	
Totals			\$2,900,452	\$2,380,050	\$6,210,000

At the beginning of the 2016 funding cycle, the WSF had \$24,681,077 available. The NRC approved for funding 11 projects for a total of \$19,529,668.30, leaving \$5,151,410 in the fund.

A chart of the projects funding is below.

2016 WSF Applications Funded					
#	Applicant	Project	CSO	< or = \$250,000	> \$250,000
48	City of Omaha	Omaha CSO Program	\$800,796		
51	LPSNRD	Lower Platte River Drought Contingency Plan		\$195,000	
62	Village of Howells	Repurpoing of Pokorny Dam Village of Howells		\$164,400	
59	MRNRD	Middle Republican NRD High Tech Irrigation Implementation		\$250,000	
46	LBNRD	Instream Weir Stabilization/Recharge Pilot Project		\$100,979	
47	LBNRD	Low-head Embankment Stabilization/Recharge Pilot Project		\$100,153	
64	LPSNRD	GeoClous and Airborne Electromagnetic (AEM) Data Integra-tion		\$247,437.60	
52	Lincoln Water	Lincoln Water System Drought Resiliency and Flood Protec-tion			\$7,636,698
60	Mitchell	Mitchell Wastewater Improvmements - 2016			\$2,407,200
70	FCID	FCID Storage Enhancement and Retiming Project			\$915,554.70
77	PapioNRD	West Branch Papillion Creek Structures WP 6 and WP 7			\$6,711,449
Totals			\$800,796	\$1,057,970.60	\$17,670,901.70

At the beginning of the 2017 funding cycle, the WSF had \$15,890,487 available. The NRC approved for funding 13 projects for a total of \$10,682,546, leaving \$5,207,941 in the fund.

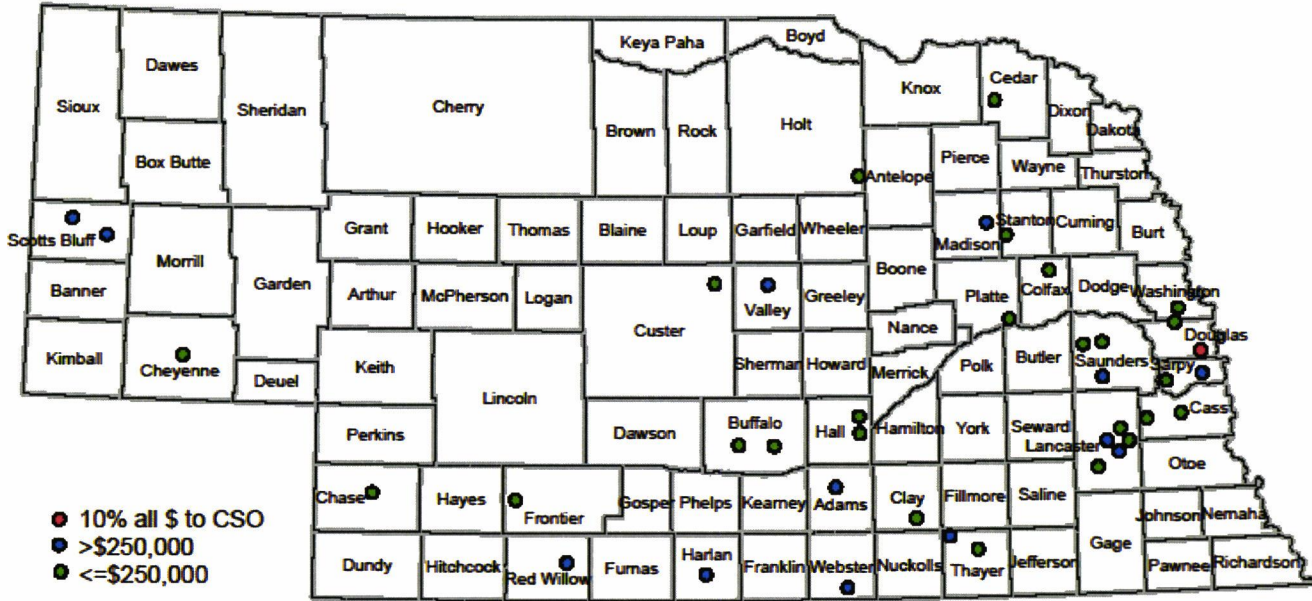
A chart of the projects funding is below.

2017 WSF Applications Funded					
#	Applicant	Project	CSO	< or = to \$250,000	>\$250,000
5178	City of Omaha	Omaha CSO Project	\$1,073,908		
5181	LRNRD	LRNRD Platte Republican Diversion			\$897,300
5189	ENWRA	ENWRA Easter Nebraska Aquifer Framework Mapping			\$1,968,000
5197	LBNRD	LBNRD Oxbow Reconnections for Groundwater Recharge			\$389,820
5201	LPNNRD	LPNNRD Wahoo Creek Detention Sites 26 and 27			\$2,269,194
5194	LLNRD	LLNRD Colubus Area Recharge Project			\$1,224,000
5187	Bostwick	Nebraska Bostwick Storage Enhancement and Retiming Project			\$2,000,000
5192	UNL	UNL Quantifying the Impact of Eastern Redcedar Encroachment on Recharge in the Nebraska Sandhills		\$144,716	
5193	PMNRD	PMNRD GeoScience 3D Aquifer Characterization of Western Sarpy County		\$120,000	
5198	NPNRD	NPPD River Flow Augmentation Delivery Structures		\$205,068	
5184	URNRD	URNRD Groundwater Modeling Project		\$243,000	
5188	CPNRD	CPNRD Modeling Nitrate Transport in the Vadose Zone		\$87,540	
5196	CPNRD	CPNRD Drought Management Plan and Local Drought Monitor		\$60,000	
Totals			\$1,073,908	\$860,324	\$8,748,314

Below is a map showing the state-wide distribution of funding through the Water Sustainability Fund to date.



Water Sustainability Fund Approved Projects



Updated 12/1/2017

Water Sustainability Fund

Net Appropriations Available to Commit as of December 1, 2017

<u>Sources & Uses of Funds</u>		<u>PPAs (Aid)</u>
FY2015	Appropriation	20,865,593
FY2016	Appropriation	7,872,993
TOTAL AVAILABLE FOR 1st Round of PPAs		28,738,586
	Committed to Approved Projects	(11,490,502)
	Uncommitted Balance as of 6/30/2016	17,248,084
FY2017	Appropriation	7,872,993
TOTAL AVAILABLE FOR 2nd Round of PPAs		25,121,077
	4% Reduction to FY17 Appropriation	(440,000)
NET TOTAL AVAILABLE FOR 2nd Round of PPAs		24,681,077
	Committed to Approved Projects	(19,529,667)
	Uncommitted balance as of 12/12/2016	5,151,410
FY 2018	Appropriation	10,739,077
TOTAL AVAILABLE FOR 3rd Round of PPAs		15,890,487
	Committed to Approved Projects	(10,682,546)
	Uncommitted balance as of 12/1/2017	5,207,941

After three rounds of applications, the Commission has developed a few changes proposed for the Rules (Title 261) governing this fund. Of the proposed changes, the three most significant are the elimination of cost share for expenses incurred prior to the date the Commission approves a project for funding, requiring applicants to have all necessary permits at the time their application is filed and allowing an applicant to request less than 60% cost share.

January 18th, 2018 has been set as the date for the public hearing on the rule amendments. Commissioners anticipate feedback from potential applicants over concerns the changes will shift additional expenses to the applicant and require applicants to obtain permits without any future funding commitment. However, the Commission also believes this will help to focus the use of this fund to those committed, shovel ready projects. This change is seen by some applicants with limited budgets as a large obstacle for new construction projects. The Commission recognizes this concern and has stated willingness to review the changes, if they are finalized, after a few more funding cycles to see what effects have taken place and whether this attempt to speed up project development relative to funding commitment has worked.

In conjunction with the Commission's proposed changes to Title 261, the Department of Natural Resources (DNR) which administers this fund is proposing to repeal its rules, Title 264, regarding this fund because it mostly restates current statutes.



Gordon W "Jeff" Fassett, Director

Nebraska Department of Natural Resources



Date