

NEBRASKA

Good Life. Great Water.

DEPT. OF NATURAL RESOURCES



Jim Pillen, Governor

December 31, 2023

Brandon Metzler, Clerk of the Legislature
Room 2018 State Capitol
Lincoln, NE 68509-4604

Re: 2022-2023 Biennial Report of the Nebraska Water Sustainability Fund

Dear Mr. O'Donnell:

Neb. Rev. Stat. § 2-1507(7) requires that a biennial report be made to the Clerk of the Legislature on December 31, 2023, describing the work accomplished by the use of funds towards the goals of the Water Sustainability Fund (WSF). The WSF was created by the 2014 Legislature in LB906, and governance requirements were provided in LB1098.

The following report summarizes the 2022-2023 biennium activities relating to the WSF. If any questions remain about the WSF, members of the Legislature are invited to contact myself or Natural Resources Commission Commissioners, and review the WSF website page at: <https://nrc.nebraska.gov/water-sustainability-fund-0> for additional details.

Respectfully submitted,

A handwritten signature in blue ink that reads "Thomas E. Riley".

Thomas E. Riley, P.E., Director
Nebraska Department of Natural Resources

Thomas E. Riley, P.E., Director

Department of Natural Resources

245 Fallbrook Blvd., Suite 201 OFFICE 402-471-2363
Lincoln, Nebraska 68521 FAX 402-471-2900

dnr.nebraska.gov

Natural Resources Commission

Water Sustainability Fund

Biennial Report to Legislature
2022-2023



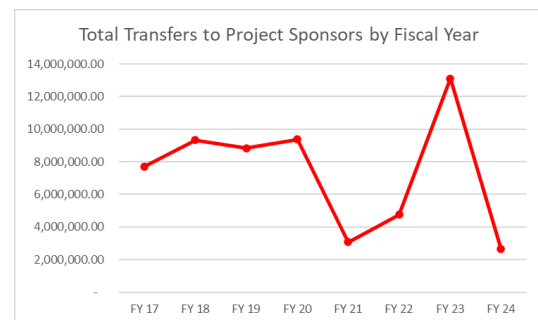
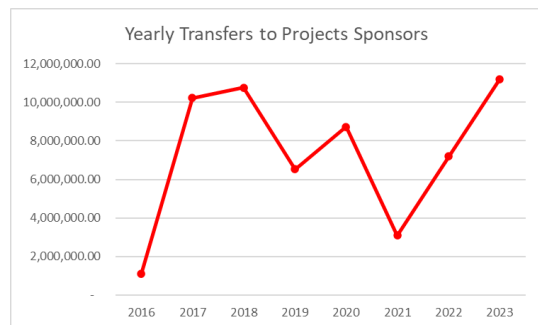
The Water Sustainability Fund (WSF) is a source of financial support to help the State of Nebraska achieve the goals set out in Neb. Rev. Stat. § 2-1506. The Nebraska Natural Resources Commission (NRC) oversees WSF operations including selecting successful applications, and the Nebraska Department of 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 small project requests of \$250,000 or less.

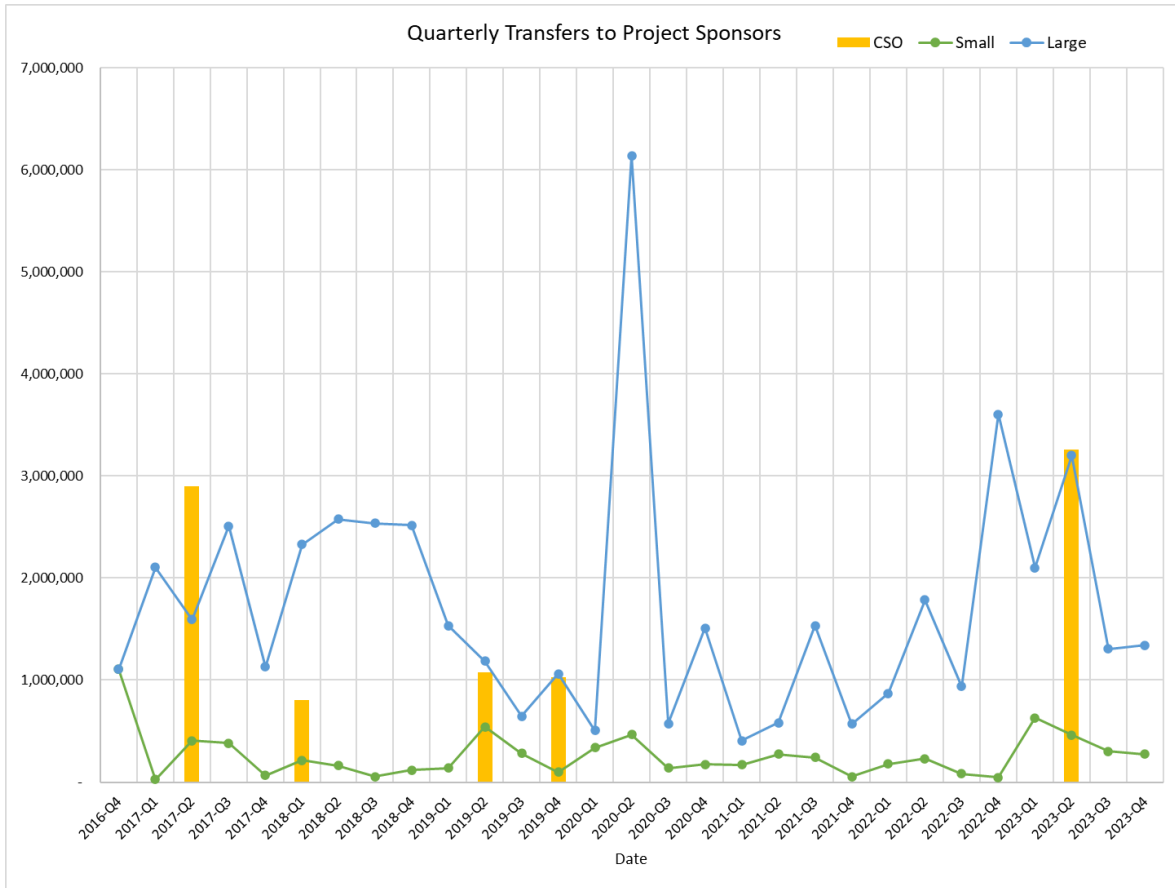
WSF applications are filed electronically. To better time the applications review, scoring, and funding cycle with project sponsors' needs, the filing date for 2023 and after was changed from July to between March 16th and 31st each year. Once filed, the applications undergo a preliminary review by NeDNR staff and those determined by the Director to be "sufficient" as per Neb. Rev. Stat. § 2-1509(3) are forwarded to the NRC for scoring. Each of the applications may be viewed by clicking the "*Applications with Satisfactory Determination by the Director*" link under the Applications tab at: <https://nrc.nebraska.gov/water-sustainability-fund-0>.

Only applications with the highest scores are funded. Any funds remaining are rolled forward and added to the next legislative appropriation to be conservative and wise stewards of taxpayer monies and to encourage that the best project applications be submitted in the next round of funding. The NRC's scoring process is designed to identify those projects that will provide the most comprehensive benefits as outlined in Neb. Rev. Stat. § 2-1506.

The WSF has completed nine funding cycles between 2015 and 2023. A link to the applications funded during each annual funding cycle may be viewed by clicking on the "*WSF Projects Funded*" under the Applications tab at: <https://nrc.nebraska.gov/water-sustainability-fund-0>. In addition, the project sponsor's annual reports for each project may be viewed by clicking on "*Water Sustainability Fund Annual and Final Reports*" under the Reports tab at: <https://nrc.nebraska.gov/water-sustainability-fund-0>.

Upon funding approval by the NRC, NeDNR enters into a separate contract Agreement with each project sponsor. WSF grant funding is administered through a reimbursement process. Sponsors incur and pay for project related expenses and then submit a reimbursement request along with the necessary supporting documents and proof of payment to NeDNR. Requests are reviewed by NeDNR staff prior to monies being transferred to the sponsor. WSF cost share is limited to a portion of sponsors net local cost. The following graphs depict annual and quarterly transfers to project sponsors.





In 2022, 12 projects were approved for a total of \$13,516,021.30; and in 2023, 11 projects were approved for a total of \$11,374,668.30. The following is a table of the projects funded:

2022-2023 Biennium WSF Application Funded

APP #	Applicant	Projects	Allocation	Obligation	Cap
10007	Omaha	Combined Sewer Overflow Program	\$ 1,086,503.30	\$ 1,086,503.30	
10037	Omaha	Combined Sewer Overflow Program	\$ 1,086,503.30	\$ 1,086,503.30	
			\$ 2,173,006.60	\$ 2,173,006.60	

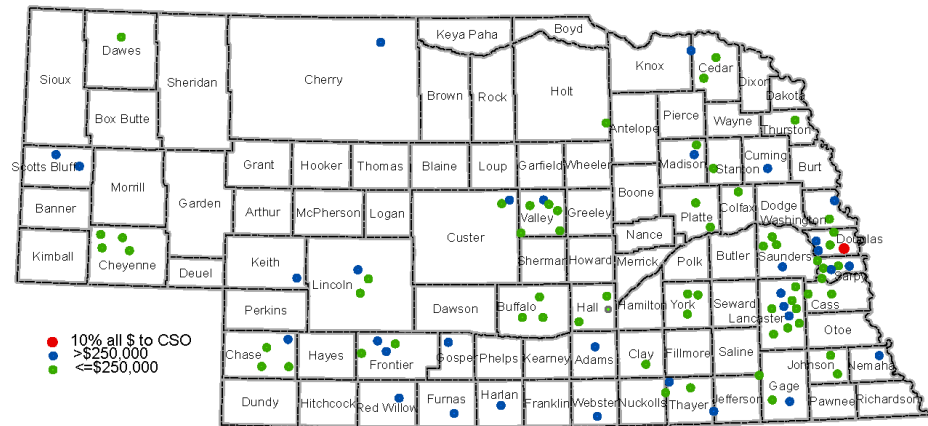
App #	Applicant	Small (≤ \$250,000) Project Name	\$ Amount Allocated	\$ Amount Obligated
10008	SPNRD	WWUM Update & Outreach Portal	240,000.00	240,000.00
10012	LBNRD	Little Blue NRD Hydrogeologic Assessment	85,800.00	85,800.00
10014	LPNNRD	Nitrate Contamination Reduction Project	233,100.00	233,100.00
10015	NNRD	District Airborne Electromagnetic Mapping	190,020.00	190,020.00
10018	Pender	Village of Pender Ion Water Upgrade Project	172,008.00	172,008.00
10020	LLNRD	Buffalo County Area Groundwater Model	165,000.00	165,000.00
10036	LBBNRD	District Airborne Electromagnetic Mapping	216,000.00	216,000.00
10079	L&CNRD	Bow Creek Watershed Project	152,970.00	152,970.00
10077	NARD	Nitrogen Water Management Tool	240,000.00	240,000.00
10059	NPPD	Robotic Camera Inspection System	81,892.00	81,892.00
10064	LL & LPN NRD	LLNRD/LPNNRD Nitrates Legacy Assessment	163,200.00	163,200.00
10070	Papio NRD	Lower Platte Sub Regional GW Modeling	250,000.00	250,000.00
10041	UNWNRD	UNWNRD Groundwater Model Update	82,500.00	82,500.00
10073	MUD	Water Conservation and Peak Demand Mgt	250,000.00	250,000.00
10061	LBBNRD	LBBNRD AEM2	249,999.00	249,999.00
			\$2,772,489.00	\$2,772,489.00

App #		Large (↑\$250,000) Project Name	\$ Amount Allocated	\$ Amount Obligated	\$ Amount of Cap Utilized
10013	LBBNRD	LBBNRD Little Indian Creek WFPO	1,788,300.00	1,788,300.00	
10023	LLNRD	Sargent Flood Resiliency Project	858,290.00	858,290.00	
10035	L&CNRD	Cedar Know Rural Water Project	8,481,000.00	8,481,000.00	
10066	LBNRD	LBNRD Public Water Project	3,919,500.00	3,919,500.00	
10056	Papio NRD	W P Detention Structures 2 & 4	4,898,104.00	3,834,651.90	\$1,063,452.10
			\$19,945,194.00	\$18,881,741.90	\$1,063,452.10
		Grand Total	\$24,890,689.60	\$23,827,237.50	\$1,063,452.10

Below is a map showing the project sponsor's location to demonstrate the NRC's intent to deliver long term equitable statewide distribution of funding as required under Neb. Rev. Stat § 2-1507(1) through the WSF. Two things should be noted: most of the approved projects scored highly because they provided multiple benefits to a broad area of the state; and funding can't be awarded in some areas of the state until a project sponsor submits an application within that region.



Water Sustainability Fund Approved Projects



Updated 8/28/2023

During the biennium, several projects were completed and formally closed-out. Detailed final project summary reports are filed by project sponsors and can be viewed at: <https://nrc.nebraska.gov/water-sustainability-fund-reports>. Funding remaining when projects are completed under budget is made available by the NRC to help fund future applications. The following table lists the projects completed during this biennium and summarizes those returning funds.

2022-2023 Biennium WSF Project Closeouts and Grant Reductions

App #	Year Filed	Approved Grant	Grant Released	Final Grant	Sponsor
4151	2016	195,000.00	6,533.28	188,466.72	LPSNRD
4177	2016	6,711,449.00	0	6,711,449.00	PMNRD
5187	2017	2,000,000.00	200,740.46	1,799,259.54	Bostwick ID
5192	2017	144,716.00	1,387.90	143,328.10	UNL
5195	2017	1,224,000.00	0.00	1,224,000.00	LLNRD
5201	2017	2,269,194.00	2,062,626.65	206,567.35	LPNNRD
5213	2018	528,643.00	10,891.81	517,751.19	FCID
5214	2018	56,270.00	0	56,270.00	CPNRD
5218	2018	240,000.00	1.05	239,998.95	SPNRD
5243	2019	201,600.00	0.00	201,600.00	LENRD
5244	2019	52,260.00	0.00	52,260.00	LLNRD
5256	2019	210,000.00	77,952.82	132,047.18	Platte Center
5313	2021	250,000.00	0	250,000.00	LLNRD

TOTAL \$14,083,132.00 \$2,360,133.97 \$11,722,998.03

After reviewing nine rounds of project proposals, the need to fund projects that support the sustainable use of and management for water quality, quantity, and infrastructure remains as important today as it was when LB 1098 was implemented in 2014. The following table tracks the unmet funding demand of project sponsor's seeking cost share assistance to provide these types of projects.

Unmet Funding Demand

Year Filed	Applications Filed	Amount Requested	Applications Funded	Amount Granted	Unmet Demand
2015	27	\$50,853,853.00	17	\$8,590,502.00	\$42,263,351.00
2016	34	\$45,435,963.17	11	\$19,529,667.30	\$25,906,295.87
2017	24	\$20,305,164.00	13	\$10,682,546.00	\$9,622,618.00
2018	18	\$17,397,798.00	10	\$7,802,649.00	\$9,595,149.00
2019	19	\$28,638,105.10	12	\$17,865,005.10	\$10,773,100.00
2020	8	\$5,746,983.00	6	\$5,580,902.00	\$166,081.00
2021	17	\$36,003,133.77	12	\$14,602,654.77	\$21,400,479.00
2022	13	\$24,643,611.30	11	\$13,516,021.30	\$11,127,590.00
2023	19	\$16,503,905.00	11	\$11,374,668.30	\$5,129,236.70
TOTAL		\$245,528,516.34		\$109,544,615.77	\$135,983,900.57

DATED: 29 December 2023

Thomas E. Riley

Thomas E. Riley, P.E., Director
Nebraska Department of Natural Resources