

NEBRASKA

Good Life. Great Water.

DEPT. OF NATURAL RESOURCES

August 17, 2020

Governor Pete Ricketts
State Capitol
2nd Floor, N.E.
P.O. Box 94848
Lincoln, NE 68509-4848

Clerk of the Legislature
State Capitol, Room 2018
P.O. Box 94604
Lincoln, NE 68509-4604

SUBJECT: Nebraska Resources Development Fund Biennial Report for July 1, 2018 –
June 30, 2020

Dear Governor Ricketts & the Clerk of the Legislature:

Pursuant to Neb. Rev. Stat § 2-1588(3) the Department of Natural Resources (DNR) is pleased to submit the 2020 Biennial Report for the Nebraska Resources Development Fund (NRDF). This report briefly summarizes the history of the Fund and focuses on the current status of NRDF including related legislative activities.

Since 1974, the NRDF has helped local subdivisions of government promote natural resources development opportunities and address related problems. By using funding from this program to leverage other monies, sound projects have been completed that likely would not otherwise have been undertaken due to local funding constraints. The \$119.8 million of state funds invested has leveraged \$152 million of federal and local funds to provide the citizens of Nebraska an estimated \$1.42 billion in benefits over the projected lives of the projects.

In addition, 65 projects that the Nebraska Resources Development Fund helped to build have and will continue to protect the state's natural resources and, although often taken for granted, have also produced significant recreation and economic benefits for our citizens. These projects have leveraged significant federal and local funding to develop, preserve and maintain the state's water and related land resources, including: programs and projects for the abatement of pollution; reduction of potential flood damages; reservation of lands for resources development projects; provision of public irrigation facilities; preservation and creation of fish and wildlife resources; protection and improvement of public land; provision of public outdoor recreation lands and facilities; provision and preservation of the waters of the state for all

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Pete Ricketts, Governor

beneficial uses, including domestic, agriculture, and manufacturing uses; conservation of land resources; and protection of health, safety, and general welfare of the people.

In its 2014 session, the Legislature passed legislation in response to Nebraska's water funding needs identified in the "Strategic Plan and Recommendations Report" which was submitted to the Legislature by the Water Funding Task Force in December 2013. LB906 and LB1098 created the Water Sustainability Fund (WSF). LB 906 indicated the Legislature's intent that the new fund take on the project assistance role previously performed by the NRDF. The bill limited future NRDF expenditures to those projects previously approved.

To complete the six remaining NRDF projects under construction, sponsors prepared a proposal projecting financial funding needed over an anticipated four-year period. Legislative activities, LB 294 (2019), have allowed funding re-appropriation to this fund through FY 2020-21. No general fund request for this program will be presented in the future. Once cost share commitments to currently approved projects are satisfied, the NRDF will cease to operate and any funds remaining upon project completions will be transferred to the Water Sustainability Fund.

Two NRDF projects were substantially completed during this biennial reporting period and will be closed-out in the very near future. They are summarized below.

- **Buck and Duck Creek**

- **Sponsor: Nemaha NRD**

This project consists of two dams, one each on Buck Creek and Duck Creek near Peru, Nebraska. Both structures will control a 100-year flood event, and reduce sediment loading in the down-stream drainage ditches. Frequent mechanical sediment removal was required in order to maintain drainage ditch effectiveness running through cropland in the lower half of the watershed before flowing into the Missouri River. Construction of both the Buck Creek and Duck Creek sites are complete, and the public recreation area at the Duck Creek site is open and being heavily utilized.

- **Pigeon/Jones Creek**

- **Sponsor: Pappio-Missouri River NRD**

This is a multi-purpose reservoir project near Hubbard. Extensive recreation facilities around the 200-acre reservoir are seeing tremendous use. Flood damage reduction benefits are being realized downstream in the Missouri River valley.

Four NRDF projects remain listed as being "under construction, not yet fully funded". While construction of the projects is nearly complete, some will remain in this category until the United States Army Corps of Engineers (USACE) complete a final financial "true-up" on the federal/local cost share split. When that occurs the NRDF project sponsor may owe money to the USACE or be entitled to receive a refund. NRDF will owe or receive a proportional refund based upon the cost share provided. These projects are summarized below.

