

Manager's Report

July 14, 2026

June was a very average month (see weather data in packet). We had 4.03" of rain (average for June is 4.01"). We have had 10.29" of rainfall so far this year in Holdrege, versus 8.95" average. The year-to-date data doesn't reflect the fact that we had nearly no moisture in the last three months of 2025. That's why most of Tri-Basin NRD is still classified as D2 (severe drought). We have at least a week of heat and no rain ahead, which won't help the drought situation.

July 1 marks the beginning of our fiscal year, so we need to develop our annual budget. Nicole, Nolan and I have been doing quite a bit of prep work on the budget details. We have put together a good draft for the Executive committee to review today (July 14). After we get the Executive Committee's ideas and criticism, we will bring a revised version to next Wednesday's board budget workshop (see budget and agenda in packet). We completed a couple grant projects last fiscal year, so we will have a little slack in this year's budget.

The board's budgeting task is going to be complicated by a recent court ruling (see letter and news story in packet). As Governor Pillen was developing the most recent state budget, he decided to shift funding for the Nebraska Soil and Water Conservation Program (NSWCP) from the state general budget to funding it with money transferred from the Nebraska Environmental Trust Fund. That action triggered a lawsuit by a "watchdog" group called "Friends of the Trust" who claim that this transfer was illegal, since the funds didn't get awarded through the usual grant process. The court hasn't ruled on the merits of the lawsuit, but it has issued an injunction preventing the state from spending any of the transferred funds until the lawsuit is resolved.

Therefore, as of July 1, no new NSWCP claims will be processed until further notice. That creates a dilemma for the NRD. We have approved over \$36,000 in cost-share applications that haven't been completed yet (mostly flowmeters) and, as long as the injunction remains in force, these claims won't be paid by the state when the work is done. I really think that its important for the credibility of the NRD that we honor these pending cost-share claims. Jasper Fanning, Chairman of the NRD Managers Group, has been talking with Jesse Bradley and with Justin Lavene from the Attorney General's office about whether its possible for NRDs to pay NSWCP claims and get reimbursed by the state later on. We don't have a final answer yet, but I wouldn't count on the state making it right with us.

Nolan will report this month on static groundwater levels in the district. As you can imagine, recent dry weather and the early start of the irrigation season both had

an impact on groundwater levels. Less utilization of canal water by CNPPID customers is a long-term trend that is also starting to affect the balance of groundwater sustainability in some portions of the district. Nolan has run several scenarios in the Net Recharge Tool to help us assess which parts of the district are most vulnerable to over-drafting of groundwater supplies.

Chemigation season is in full swing. Jeff, Pat and Jane Crofton have been darting all over the district conducting chemigation inspections. Rain has slowed progress a little bit, but they got off to a good start in June. They need to conduct over 800 inspections this summer, but they're well past the halfway mark, so that goal looks attainable. Chemigation is necessary to appropriately time fertilizer application to minimize leaching beyond the crop root zone. Our district doesn't have the largest number of chemigation permits (I think that we're #3), but we have the highest percentage of wells permitted for chemigation, which I see as strong evidence that our farmers are making a conscious effort to protect groundwater quality.

We will do most of the district business during our work session, so the afternoon board meeting should be short. One item of business is a follow-up from last month. During the June board meeting, the board approved a motion to allow district staff to participate in a Roth supplemental retirement plan. When I put that item on last month's agenda, I didn't realize that the board needed to approve two resolutions: one to participate in the plan, the other to allow payroll deductions for employee contributions. I will ask the board to approve the second resolution this month.

I will close my report with a few brief items.

- The board will discuss details of our board retreat, planned for Wednesday, August 19, during the July work session. We will meet at the new UN-K Community Engagement Center on West Campus. The intent is to have a brief board business meeting in the morning, lunch on site and discussion of issues and strategic planning in the afternoon.
- Our interns (Rodney, Liz and Caty) and our two new Field Office Secretaries (Jamie and LeeAnn) took a tour of the CNPPID canal system, hosted by Alex Linden, on July 1. I think that the CNPPID tour is a great way for staff and the public to get a fuller understanding of the canal system and its infrastructure, which are key to the productivity, prosperity and sustainability of our irrigation sector. I really appreciate CNPPID's willingness to provide this opportunity to our staff and interns.
- I think that the board heard about the Platte River Recovery Implementation Program's (PRRIP) evaluation of the possibility of using Plum Creek as a conduit to run water from Elwood Reservoir to the Platte River. A handout and meeting

notes from that meeting are in the information packet. Surveyors from Spheros will be measuring culverts and creek profiles along the stream next month. I personally contacted landowners to ask their permission to enter private property for the survey work. In my conversations with landowners, I heard a lot of skepticism about the concept, but nearly all landowners were willing to cooperate with the survey.

- Scott Schaneman, Manager of North Platte NRD in Scottsbluff, recently asked me whether I would be willing to take his place as a “Downstream Water User” representative on the PRRIP Governance Committee. Considering all the projects that the PRRIP has done and are contemplating doing in our NRD, I think that it would be useful for our district to have a voice on the Governance Committee. Since I am nearing retirement, however, I think that it makes sense for someone else to serve as our representative. I discussed with Larry Reynolds the possibility of having him take that seat. He is willing to do so if the board will support his participation. He would have to be approved as a representative by the Platte Basin caucus during the NARD Fall Conference.
- After meeting with the Executive Committee today, I thought that it would be useful to mention a few highlights regarding the proposed FY 2026-27 budget. They include:
 - Completion of three grant projects (Net Recharge Tool, remote-reading flowmeters, real-time observation wells);
 - Addition of two permanent employees: a conservation technician, in cooperation with NRCS and a natural resources technician who will work for both the land and water departments;
 - \$100,000 added to the Water Resources Sinking Fund;
 - \$50,000 added to the Building Sinking Fund for a new roof at the armory.

That’s all that I have for you this month. I look forward to seeing all of you again after missing the June board meeting. Remember that our work session starts at 11:00 AM next Wednesday, July 22.