

Agenda Item: 10.

MEMORANDUM

TO: Programs Projects and Operations Subcommittee

FROM: Terry Schumacher, Land & Water Program Coordinator and Justin Novak, Field Representative

SUBJECT: NSWCP- Cost Share Rate for Underground Outlets

DATE: February 1, 2013

The District's Conservation Assistance Program (CAP) funds conservation practices such as terraces and underground outlets. The NRCS does an annual analysis to establish unit cost-share rates for the Nebraska Soil & Water Conservation Program (NSWCP) for these practices. The District's CAP rates are based on the NSWCP rates and the rates for the last year were a \$1.65 per L.F. for terraces and \$5.60 per L.F. for underground outlets.

This year the NRCS has gone to a regional assessment for determining the new cost share rates for conservation practices. The proposed rates for this year are \$1.80 per L.F. for terraces and \$9.35 per L.F. for underground outlets. The terrace rate increase appears to be reasonable and acceptable, while the price increase for underground outlets appears to be excessive and will impact the NSWCP and CAP budgets adversely. In short, the District would be able to cost-share on fewer conservation projects at the current program budget levels.

A district wide average was done on the rates contractors were charging landowners for the installation of underground outlets since July 1, 2012. Of the 36 terrace jobs that were completed in the District for F.Y. 2013, the average rate for underground outlets was \$6.12 per L.F. The \$6.12 per L.F. seems to be a reasonable increase and is similar, percentage wise to the increase in the terrace rate.

Management recommends that the Subcommittee recommend to the Board that the General Manager be authorized to execute the change in the NSWCP cost share rate in the amount of \$6.12 per L.F. for underground outlets and submit the change to the Nebraska Natural Resources Commission for approval.

P-MRNRD Cost Rate Schedule - February 12, 2013

Year	Effective Date	Terrace - Storage	Tile Outlets
FY2009	11-12-08	\$ 1.68	\$ 5.73
FY2010	03-01-10	\$ 1.63	\$ 5.43
FY2011	12-23-10	\$ 1.65	\$ 5.60
FY2012	01-13-12	\$ 1.65	\$ 5.60