

Swanson and Hugh Butler Reservoir Congressional Testimony

I. Introduction

Thank you, Chairman Bentz and Ranking Member Huffman for the opportunity to provide testimony at today's important hearing on the Swanson and Hugh Butler Reservoirs Land Conveyances Act. My name is Paul Nichols, and I am the Chairman of the Hitchcock County Commissioners. I am also a proud lifelong resident of Hitchcock County, and my 14 years as a County Commissioner have given me a deep appreciation for the people and the issues that matter most to our community. Joining me are Ron Wertz and Scott McDonald, the other two Hitchcock County Commissioners. Also joining me are members of the lake communities and Dawna Vap a concessionaire at Swanson Reservoir. The legislation I am speaking about today directly responds to concerns raised by Hitchcock and Frontier County Commissioners, county constituents, and the Nebraska congressional delegation, regarding the Bureau of Reclamation's plan to end private exclusive use at the reservoirs. Impacted stakeholders feel this reflects the prior mismanagement of the concession areas at the Swanson Good Life Marina and Hugh Butler Lighthouse Marina and the need for local control and management over these areas.

The proposed Swanson and Hugh Butler Reservoirs Land Conveyances Act aims to transfer a total of 77.2 acres of land – comprising less than 1% of the total acreage of Swanson and Hugh Butler Reservoirs. Importantly, this transfer involves no cost to the federal government and does not transfer any water or power assets. The transferred areas do not impede public access to the lake nor obstruct public use of the water or surrounding areas. By transferring ownership to the counties, we can ensure that these valuable assets are managed effectively and continue to benefit the local communities, without imposing any additional financial burden on taxpayers.

The two lakeside communities that are home to over 180 households, and the concession areas at Swanson and Hugh Butler Reservoirs, are vital economic drivers for businesses and local communities, supporting jobs in tourism, outdoor recreation, and hospitality. These two marinas and lake home communities are economic lifelines for Southwest Nebraska and the surrounding region. They serve as vital hubs for small businesses and provide much-needed respite for the hardworking populations of Southwest Nebraska, Northwest Kansas, and Eastern Colorado. For farm and ranch families, these facilities offer a crucial escape from the relentless demands of agricultural life. At affordable prices, they provide a place to relax, socialize, and spend quality time with loved ones. This is especially important given the growing mental health crisis in rural areas.

As highlighted by the story of Allison Brunswig, who grew up in the Swanson Lake community, these recreational areas offer a sense of belonging, emotional support, and connection that is invaluable to residents. Allison's family has cherished countless memories at the lake, and of her grandmother, who was a beloved member of the community known for her kindness and generosity. The reservoir community has provided Allison and her family with a comfortable and nurturing environment to remember their departed loved ones. The decision made by the Bureau of Reclamation to allow these concession contracts to expire would lead to a tragic outcome for both the county community and the local population.

As you are aware, the Swanson and Hugh Butler Reservoirs Land Conveyances Act transfers ownership of the concession areas, Lakeview Lodge, and cabins at the Swanson and Hugh Butler Reservoirs from the Bureau of Reclamation to Hitchcock and Frontier Counties. Indeed, the Bureau of Reclamation first suggested this land transfer as a potential solution to the concessionaries in March 2022 when the Bureau initially took over management of these two concession areas. This conveyance is necessary to prevent the Swanson and Hugh Butler Lake communities and

concessionaries from being removed, which would have disastrous consequences for the populations in Hitchcock and Frontier Counties. The removal of these lake home communities and marinas jeopardizes Southwest Nebraska's economy and way of life. Therefore, action on this issue is urgently needed to prevent a catastrophic outcome that could unfold over the next few months from the date of this hearing. The looming deadline of February 2025, when the Bureau of Reclamation's extended concession contracts expire, highlights the critical need for immediate action.

II. Background on Swanson and Hugh Butler and Impact on Community

The present concessionaries at the Swanson and Hugh Butler Reservoirs have been around for a collective 41 years – Hugh Butler's for 26 years and Swanson's for 15 years. The concessionaries were created shortly following the completion of the Trenton Dam Project in 1953, and the area has been beautifully maintained by the concessionaires and lake community since then. Currently, the land resides near the small towns of Trenton and Stratton in Hitchcock County, Nebraska. The county is facing significant economic challenges. With a median household income of only \$42,813 and with over 50% of its students qualifying for free or reduced-price lunches in 2024, Hitchcock County's challenges serve as a stark indicator of the area's overall economic struggles. The community has been hit hard by the recent closures of its nursing home, multiple restaurants, and the downtown newspaper. The concession area's closure would only add to these economic hardships, further straining the already fragile financial situation of many residents.

Despite these challenges, the Swanson and Hugh Butler Reservoirs are developed and thriving communities. The marinas offer a variety of free and accessible activities for families to enjoy in a safe outdoor environment. These include fishing tournaments, volleyball, car shows, horseshoe pits,

family reunions, potlucks, musical bands and concerts. They also provide recreational fishing, hunting, boating supplies, and general merchandise items to the public. Additionally, the marinas are often used as a place for church services and wedding and funeral services. Since 2011, the Good Life Marina, one of the few remaining local restaurants within a thirty-mile radius of the reservoirs, has served over 300,000 meals to the public. Given the recent closure of local restaurants, Good Life Marina is an essential economic driver for the community and an important local staple for community residents. Many of these businesses, attractions, and events are attended by individuals who drive several hours away to experience the beautiful marinas and lake communities.

The concessionaries and lake community closure would not only deprive residents and visitors of beloved recreational amenities but would also have a devastating impact on local businesses that rely on such revenue. The loss of jobs, diminished property values, and reduced quality of life would be severe consequences of allowing these valuable assets to fall into disrepair. Furthermore, the economic contributions of lake communities are crucial for supporting vital services like firefighting, law enforcement, and local government. Their survival is essential for the well-being of our small rural towns. An example of a business that relies upon a vibrant marina is Surfs Up Marine in McCook, Nebraska. Surfs Up Marine relies heavily on the vibrant lake communities for over 75% of its revenue. As the only boat retailer in the region, Surfs Up Marine is a crucial business for the local economy. The concessionaries and lake communities' closure will therefore have far-reaching consequences, not only depriving residents and visitors of outdoor recreational amenities but also jeopardizing the economic viability of local businesses that depend on this revenue.

III. Capability in Managing the Land and No Cost to Taxpayers

Moreover, the Hitchcock and Frontier County Commissioners are more than capable of managing and operating the Swanson and Hugh Butler Reservoirs concessionaires. Each county is comprised of three Commissioners, each of whom sits on several local boards and is active in their community. Hitchcock County Commissioners, with their combined experience of 54 years, have successfully managed a team of 31 employees and overseen a total operating budget of over \$2.5 million. Similarly, the Frontier County Commissioners, boasting 61 years of combined experience, have managed a team of 46 employees while overseeing an operating budget of \$10 million. These impressive credentials demonstrate their ability to effectively manage concessionaires and ensure the efficient operation of public amenities. By adopting a similar contract structure as the Nebraska Game and Parks Commission had with the concessionaires in the past, the counties will maintain oversight and enforce all Nebraska health, safety, and fire codes. Additionally, the implementation of yearly inspections will further ensure the compliance and safety of concession operations. The County Commissioners' commitment to public service and their deep understanding of the needs of their communities will be invaluable in guiding the future of these marinas and lake home communities.

Unfortunately, the Bureau of Reclamation's plans have only created confusion and misunderstandings for individuals and businesses operating within these lake communities. It has been difficult for stakeholders to navigate the regulatory landscape and plan for the future. The decision to allow the concession contracts to expire in February 2025 only adds to this uncertainty. This termination of contracts will create significant disruption for businesses, employees, and the communities that rely on these marinas. The cost of removing existing structures will be substantial, imposing a financial burden on trailer owners and businesses forced to relocate their belongings. As such, it is imperative that Congress passes the Swanson and Hugh

Butler Reservoirs Land Conveyances Act to provide a clear path forward for the management and development of these marinas and lake home communities, ensuring their continued viability and continued economic benefits to the region.

IV. Conclusion

The closure of the Swanson and Hugh Butler Reservoirs concession areas would have a devastating impact on the local economy, small businesses, and the well-being of residents in Hitchcock and Frontier Counties. The proposed legislation, the Swanson and Hugh Butler Reservoirs Land Conveyances Act offers a viable solution by transferring ownership of these areas to the counties, which have the expertise and experience to manage them effectively. By passing this bill, Congress can ensure the continued viability of these vital community assets and prevent a catastrophic outcome for the region. Thank you, Chairman Bentz and Ranking Member Huffman, and the entire Committee, for providing me with this opportunity to speak.

S. 4347 & H.R. 8413 Swanson and Hugh Butler Reservoirs Land Conveyances Act



Swanson Concessions & Cabins



Hugh Butler Concessions & Cabins



Lakeview Lodge at Swanson Reservoir

Purpose

As suggested by the Bureau of Reclamation, transfer 77.2 acres (less than 1% of the total land acreage) to Hitchcock and Frontier counties. Concession contracts will expire in early 2025. The current BOR contract includes a clause that states this legislation must be completed during the 118th congress. Hitchcock & Frontier Counties have accepted the responsibility of the land and have access to funds to purchase the land at fair market value.

Total Requested Transfer (Acres)

Swanson Concessions:	20.0
Swanson Cabins:	6.2
Hugh Butler Concessions:	23.0
Hugh Butler Cabins:	6.5
Lakeview Lodge at Swanson:	<u>21.5</u>
Total:	77.2 Acres

Current Federal Acreage:

Swanson Water Surface Acreage:	4,974
Swanson Land Acreage:	5,253
Swanson Shoreline (mi):	30
Hugh Butler Water Surface Acreage:	1,629
Hugh Butler Land Acreage:	4,461
Hugh Butler Shoreline (mi):	35

Demographics

These counties are extremely rural. The size of these counties combined are larger than the state of Rhode Island but have less than 0.5% of the population.

SWANSON RESERVOIR

HUGH BUTLER RESERVOIR



Town of Trenton, NE - 5 miles East of Swanson Reservoir

Hitchcock County (2022)

Population: 2,598
 Median Income (household): \$42,813
 Restaurants: 3
 Size: 710.0 mi²

Frontier County (2022)

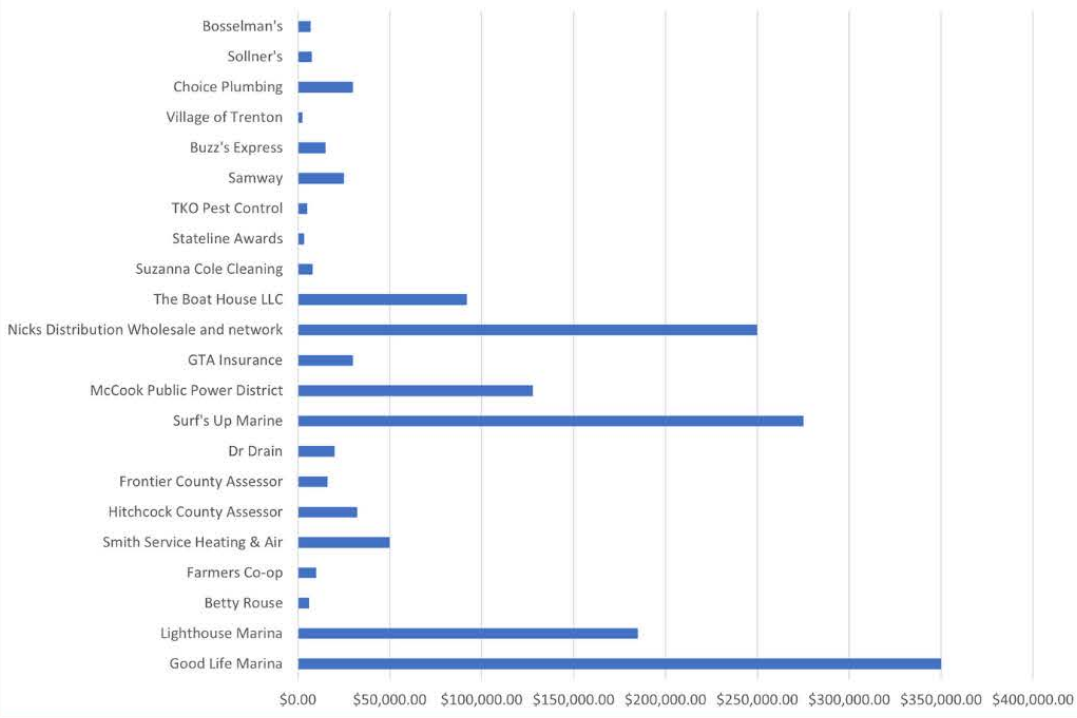
Population: 2,633
 Median Income (household): \$62,928
 Restaurants: 4
 Size: 974.7 mi²



Economic Effects

- Potential annual loss of revenue from a few of the small businesses in Hitchcock and Frontier Counties is approximately \$1,499,300
- Loss of property tax revenue would equal \$48,226.55
- The counties would also lose small business and numerous jobs.
- The local citizens support this bill because their livelihood and jobs rely on these lake communities and their business.
- Loss of two marinas, which are two of few restaurants in these counties

Approximate loss of revenue from a few of the small business in the area



Swanson Reservoir

Hugh Butler Reservoir



Community

Our diverse and inclusive community welcomes all. Multi State persons bring friendship and unity. Concessionaires and the lake communities provide and host many events open to the public.

- Fishing Tournaments
- Free Concerts
- Car Shows
- Church Services
- Family Reunions
- Weddings, Funerals
- 4H/Scout Projects
- Potlucks
- Volleyball Tournaments
- 4th of July Celebration



Sunday Church Service at the Good Life Marina



Free Concert at the Light House Marina

