

Mr. Dan Smith
Middle Republican NRD
P.O Box 81
Curtis, NE 69025

Dear Mr. Smith,

The Upper Republican Natural Resource District has initiated the process of seeking a legislative resolution from the Legislature of the State of Nebraska regarding the authority of Natural Resource Districts to impose usage fees upon groundwater users. The attached document is the resolution proposed by the URNRD.

The Upper Republican Natural Resource District offers this draft of a proposed legislative resolution with the intent of receiving clarification on the authority of Natural Resource Districts to assess usage fees to fund financial incentive programs to reduce groundwater withdrawal. The URNRD is considering implementation of a usage fee program to retire additional irrigation allocation within the District in lieu of placing additional restrictions upon Quick Response wells, in order to maintain current URNRD policy of treating all irrigators within the District equitably. The proposed resolution will require significant support from all parties with an interest in the conservation of the State of Nebraska's water resource.

The URNRD formally solicits your support for and input on the proposed resolution. The URNRD believes incentive programs will become increasingly necessary tools to efficiently allocate and manage the limited resources within the Natural Resource Districts of the State of Nebraska. Therefore, the URNRD has taken the initiative of proposing the attached resolution and requests the support of your District in this legislative endeavor.

Respectfully,

Jasper Fanning
Interim Manager
Upper Republican NRD

Encl:

URNRD Proposed Legislative Resolution

WHEREAS, there is a need to reduce groundwater use either through reduced allocation per acre or by reducing the number of irrigated acres within the Natural Resource Districts of the State of Nebraska that have been designated by the Nebraska Department of Natural Resources as either fully or over appropriated or are regulating groundwater use under implementation of a compact; and

WHEREAS, the Legislature of the State of Nebraska recognized in LB-962 that to facilitate optimum beneficial use of water by the people of Nebraska there is need for authorizing the levying and collection of fees and assessments on persons who withdraw or otherwise use or benefit from intentional underground water storage; and

WHEREAS, the Nebraska Groundwater Management and Protection Act 46-739.9b authorizes the establishment and implementation of financial or other incentive programs; and

WHEREAS, the Federal CREP program may not retire enough irrigated acres either initially or long-term to sufficiently reduce groundwater withdrawal to an acceptable level; and

WHEREAS, reducing per acre allocation alone may result in greater economic impact upon both affected individuals and local economies than would a voluntary acre retirement program; and

WHEREAS, there is a need to retire as many as twenty thousand acres in the Upper Republican Natural Resource District long-term; and

WHEREAS, there will be a need to retire additional acres in Water Short Years under the Republican River Compact.

NOW THEREFORE,

1. Natural Resource Districts of the State of Nebraska shall be authorized to charge a usage fee to groundwater users within areas designated by the Nebraska Department of Natural Resources as being either fully or over appropriated or within groundwater management areas affected by a compact settlement, excluding municipal or domestic uses.

2. This usage fee is in addition to the 1 cent per hundred dollars of assessed valuation authorized in LB-962 to fund NRD District's responsibilities under the Groundwater Management and Protection Act.

3. Funds from any groundwater usage fees shall only be used to fund programs aimed at reducing groundwater withdrawal within the Natural Resource District or alternatively within any qualifying river basin located at least in part within the boundaries of the Natural Resource District through voluntary allocation reduction.

4. A Natural Resource District shall neither impose a usage fee greater than 10 dollars per irrigated acre, nor set the fee such that the NRD will raise more than 5 million dollars in any given year.

5. Funds from any groundwater usage fees shall be managed only by the collecting Natural Resource District available only for use in implementing and administering programs developed to reduce groundwater withdrawals.

6. In the event funds are not used, whether due to lack of participation in funded programs or the lack of need due to wetter than normal periods of weather the groundwater usage fees or a proportion thereof not used within a period of time not greater than the length of the allocation period of the Natural Resource District shall be refunded.