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## Middle Republican Natural Resources District

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DATE: August 3, 2004  
TO: Board of Directors  
FROM: Dan Smith  
RE: Alternate Proposal

*Memo*

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This proposal was received from a group of about 12 Lincoln and Hayes County farmers. As you will see many of the components are very similar to the most recent proposal of last week. Haag, Moore, Madsen, Fornoff and Smith represented the NRD at a meeting with this group on August 2<sup>nd</sup>.

This group would also like you to take a position with regard to the economic study that was done by the power districts. They would like you to oppose it, or at the very least not support or endorse it. I think we could take any position you want and I will follow up with Don Suda to see what the Public Power Districts position is going to be.

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### Proposal

Treat all wells the same – no reduction for 98 or newer wells

No set aside acres – allocate to all the certified acres

Allow transfers between operators

Allow transfer by operator to all farms under his control – this can be done under our current concept but would require approval of landlord at the time of transfer or in the lease.

Use state or federal programs and funds to retire acres

45 inches over 3 years

No restrictions on yearly pumping

Unlimited bank (reserve)

Adjust allocations yearly based on acres irrigated and participation in incentive programs.

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We indicated that 45 inches would probably not be acceptable with DNR. The increased bank is something that could be addressed. I think DNR wants us to limit it and it would have to be restricted if we get into Water Short Year cut backs. The group considered lowering their request to at least one-year allocation. As far as the yearly adjustment of allocations is concerned, I think that would be a difficult concept to put into rule and would require board action each year. The idea is that if our allocation is to 312,000 and less than that is irrigated in a given year, then the next year's allocation could be slightly higher. This could work but the lag effect would have an impact in that some adjustments may have to be made that could negate any water saved. This concept works best if the allocation is limited to a maximum amount pumped each year. If fewer acres are irrigated in a given year then additional water should be available the following year. But, if average pumping is higher, then the increased pumping negates any credit from the reduced acres.

With that said, this concept is what will be used between allocation periods. At the end of 2007 I envision that we will look at the savings (or overuse) during the last period and adjust the new allocation to reflect the changes. Hopefully they will be positive changes if the incentives and conservation efforts are effective.

Once again I would like to structure the discussion on both the committee proposal and this proposal in that I would present them and try to explain the concepts before you guys take action.

## MIDDLE REPUBLICAN AREA FARMERS WATER MANAGEMENT PROPOSAL

- 45 inch 3 year allocation
- No restrictions on year of pumping allocation
- Year by year additional allocation option of adding unused water according to the total Middle Republican allocation minus previous years water use
- Bank all unused water from year to year and into the next and all future allocations
- No set aside acres
- Allow water transfers by operator to all locations farmed by that operator
- Allow water transfers between operators
- Treat all wells the same
- Use state and federal programs and/or money to fund retirement of acres

We feel this plan is a simple and effective means of water management that allows for flexibility by the farm operator, conservation of water, meets the minimum needs of crops and crop rotations grown in the Middle Republican District and is easy and very cost effective to administer.

By signing this proposal I am supporting this water management plan.