

## AGENDA – February 13, 2007

The Middle Republican NRD Board of Directors will hold their regular meeting at the American Legion Hall in Curtis, Nebraska on February 13, 2007 at 7:00 P.M.

### Regular Meeting:

1. Meeting called to order.
  - a. Verify quorum
  - b. Excused absences
2. Circulate agenda and roster
  - a. Items added since mailing
3. OFFICIAL NOTICE OF THIS MEETING WAS PUBLISHED IN THE NORTH PLATTE TELEGRAPH AND THE MCCOOK DAILY GAZETTE AND WAS POSTED IN THE NRD OFFICE AND ON THE DISTRICT WEBSITE AT WWW.MRNRD.ORG. AS A COURTESY IT WAS ALSO PROVIDED TO LOCAL RADIO STATIONS.
4. Approve minutes for the January regular board meeting.
5. Open Hearing for Variance Request - Medicine Valley Economic Devel.
6. Close Hearing
7. Consider Variance Requests
8. Legal Matters
  - a. Case status - Schroeder
9. Financial Actions
  - a. Approve Financial Report for January 2007
10. Open Forum – The public may comment on agenda items or items not listed on the agenda. For concerns expressed that are not relative to an item on the agenda, you are informed that no action can be taken on your comments. Guests should also note the location of a current copy of the statutes dealing with public meetings.
11. Reports – Agencies, Associations, Others
  - a. NRCS – 1) Dist. Cons. Report
  - b. NARD – 1) Report-Anderjaska 2) Legislative Conf. Reports  
3) Insurance sur charge
  - c. NACD – Newsletters
  - d. NNRC –

- e. Information & Education – Gall
    - 1) Status of Grants 2) Envirothon 3) March 1 water conference
  - f. NE Republican River Management Districts Association
    - 1) Next meeting February 22
  - g. Other Agencies or Associations
    - 1) RC&D - Roger Stockton
  - h. Legislation – 1) NARD positions. 2) District positions
12. Ground Water Management
- a. Ground Water Management Area
    - 1) Well permits (2) Surface water reports (3) Meter program (4) Incentive Programs (5) Transfer requests (6) Report on January 25 and February 7 meetings w/DNR (7) consider GW comm. recommendations (8) response to DNR on BIC (9) Surface water buyouts (10) Economic study proposal (11) Basin proposal URNRD
  - b. Ground Water Quality Management Area
  - c. Other Ground Water Activity
13. Programs
- a. WILD
  - b. Buffer Strips
  - c. Livestock Waste Control Applications
  - d. Conservation Management Funds- LCP/NSWCP
    - Approve Applications
  - e. Watersheds
  - f. Complaints
  - g. Chemigation
  - h. Tree Planting
14. General Operations
- a. Personnel – 1) Kara Gall resignation / replacement progress
    - 2) Dennis Peterson injury 3) Doris Burke – Curtis FOS
  - b. Sales and Rental Equipment

Adjourn

Next regular meeting date – March 13, 2007 at 7 P. M. at the ??? in McCook, Nebraska.

**IMPORTANT DATES:**

|             |                                |
|-------------|--------------------------------|
| February 13 | Board Meeting                  |
| February 19 | Office Closed                  |
| February 22 | NeRRMDA - Camb                 |
| March 1     | Southwest Nebraska Water Conf. |
| March 13    | Board Meeting                  |

**MIDDLE REPUBLICAN NRD**

**ATTENDANCE ROSTER**

2-13 2007

| NAME             | ADDRESS     | DESIRE TO SPEAK | AGENDA ITEM NUMBER |
|------------------|-------------|-----------------|--------------------|
| Stan Moore       | Bartley     |                 |                    |
| Joe Andujaska    | Hager Cater |                 |                    |
| Dan Nelsen       | Moorefield  |                 |                    |
| Brad Randal      | Indianola   |                 |                    |
| Jerry Mastion    | Culbertson  |                 |                    |
| Rick Spencer     | Culbertson  |                 |                    |
| Kara Gall        | Curtis      |                 |                    |
| Jayle Haag       | Bartley     |                 |                    |
| Benjie Lohm      | Maywood     |                 |                    |
| Norma Lachly     | Curtis      |                 |                    |
| Adam Grabenstein | Eustis      |                 |                    |
| Hyke Grabenstein | Eustis      |                 |                    |
| Larry Kutschman  | Moorefield  |                 |                    |
| Rocky Lipp       | McCook      |                 |                    |
| Claude Luffel    | McCook      |                 |                    |
| Dave Whisenand   | McCook      |                 |                    |
| Reston Burkhardt | Curtis      |                 |                    |
| Steph. Schuttz   | Curtis      |                 |                    |
| Brad Welch       | Curtis      |                 |                    |
| Wanda Beh        | Curtis      |                 |                    |

Brad Johnson (Sargent DCC)

GRANT, NE

Marty Shum

Maywood

Dan Smith  
Kevin Fairwell

Maywood  
Hagerfield

**MINUTES**  
**Middle Republican Natural Resources District**  
**Board of Directors Meeting**  
**January 9, 2007**  
**McCook, Nebraska**

**Board Members Present:** Joe Anderjaska, Kevin Fornoff, Josh Friesen, Benjie Loomis, Stan Moore, Jerry Mustion, Dan Nelsen, Brad Randel, Marty Schurr, Rick Spencer

**Board Members Absent:** Gayle Haag

**NRD Staff:** Dan Smith, Robert Merrigan, Kara Gall, Christy Peterson, Kim Smith

**NRCS Staff:** Marty Gugelman

**Others:** Brad Edgerton, Don Roberts, Roger Stockton, Ralph Scott, Rex Nelson, Mark Billinger, Brad Johnson, Scott Moore

**Information Mailed to Directors:**

|                                |   |
|--------------------------------|---|
| Agenda                         | NARD Legislative Conference Agenda          |
| December Minutes               | Variance Minutes                            |
| Special Meeting Minutes        | Budget Comparison                           |
| December Financial Report      | NACD E-notes for Jan 3, 2007                |
| Information & Education Report | Legislative Committee Chairs                |
| Well Permit                    | Smith's Opening Remarks for Special Meeting |
| Legislative Banquet Choices    |   |

**Information Distributed at Meeting:**

|  |                                     |
|--|-------------------------------------|
| Proposed Legislative Bill                              | Open Meetings Act                   |
| NRCS Field Office Job Description                      | Open Letter Concerning Water Issues |
| January 5 NARD Update                                  | Cost Share Summary                  |
| Washington D.C. Agenda                                 | Meter Reading Report                |
| DNR Director Announcement                              | Review of Basic Compact Compliance  |
| Letter to Director of DNR concerning Settlement Issues |                                     |
| RC&D Agenda and Workshop notice                        | Open Door Flyer                     |

**REGULAR MEETING**

The regular monthly board meeting was called to order by Vice-Chairman Fornoff at 1:32p.m. The agenda and roster were circulated to those present.

All newly elected board members were sworn in.

◆ A motion was made by Anderjaska and second by Spencer to excuse Haag.

Ayes-10      Nays-0      Motion carried

**ELECTION OF BOARD OFFICERS**

Smith handed out a copy of the bylaws concerning elections. The offices up for election were reviewed.

Mustion nominated Josh Friesen for chairman.

Moore nominated himself. Moore discussed the reasons he felt that he would make a good chairman. Moore has served as President for the Coop board. That position had numerous responsibilities included leading meetings of large groups and assisting with the merging of several coops.

Nominations were closed.

◆ A motion was made by Schurr and second by Fornoff to cast vote by secret ballot.  
Ayes-10      Nays-0      Motion carried  
Ballots were tabulated. Friesen received 7 votes and Moore received 3.

Nominations were accepted for Vice-Chair.  
Friesen nominated Kevin Fornoff for vice-chairman.

◆ A motion was made by Anderjaska and second by Loomis to cease nominations and appoint Fornoff by unanimous ballot.  
Ayes-10      Nays-0      Motion carried  
Loomis nominated Dan Nelsen for treasurer.

◆ A motion was made by Anderjaska and second by Fornoff to cease nominations and appoint Nelsen by unanimous ballot.  
Ayes-10      Nays-0      Motion carried  
Schurr nominated Joe Anderjaska for NARD representative.

◆ A motion was made by Schurr and second by Nelsen to cease nominations for NARD board member and appoint Anderjaska by unanimous ballot.  
Ayes- 9      Nays-0      Abstain- Anderjaska      Motion carried

◆ A motion was made by Moore and second by Mustion to appoint Fornoff as delegate to NRRMDA and Nelsen as alternate for NRRMDA.  
Ayes-8      Nays-0      Abstain-Fornoff, Nelsen      Motion carried

◆ A motion was made by Anderjaska and second by Schurr to retain Peterson as secretary.  
Ayes-10      Nays-0      Motion carried

Smith reviewed the committees that are used on a routine basis. These committees are the Executive committee, Groundwater committee, and Personnel and Operations committee. Smith would like to have a groundwater committee meeting prior to conference in Lincoln. Senator Christiansen would like the District to develop a prioritized list of water related concerns. Committees are typically kept to 5 members or less. A committee has no authority to take action.

Requests were taking for volunteers for the groundwater committee. Schurr, Fornoff, Loomis, Moore, and Friesen volunteered for this committee.

◆ A motion was made by Anderjaska and second by Mustion to appoint Schurr, Fornoff, Loomis, Moore, and Friesen to the groundwater committee.  
Ayes-10      Nays-0      Motion carried

**Items added to the agenda:** 11h) BAC Legislation, 11h2) position on transfers, 11g) report on meeting with Senator Nelson's staff

Notice of the regular monthly meeting was published in the **North Platte Telegraph** and the **McCook Daily Gazette** and was posted in the **NRD office** and on the **District website at www.mrnrd.org**. As a courtesy it was also announced on **local radio stations**.

The minutes for the December 12, 2006 regular board meeting and public hearing were presented. The minutes for the December 15, 2006 were also presented. Discussion was held concerning the vote tabulation on the final motion at the regular board meeting.

◆ A motion was made by Fornoff and second by Spencer to approve the minutes for the December regular board meeting and public hearing and December special meeting as presented.  
Ayes – 10      Nays –0      Motion carried

## **FINANCIAL ACTIONS**

The financial report for December was presented. A copy of this report is on file with the minutes. Smith reviewed the report. The County Treasurer's balance was \$8804.49. Investments are \$177,455.94. Budget comparison was reviewed.

- ◆ A motion was made by Nelsen and second by Spencer to approve the December financial report as presented.

Ayes – 10            Nays – 0            Motion carried

## **OPEN FORUM**

Brad Johnson indicated that he appreciated Smith's open letter on the website.

## **NRCS REPORT**

Gugelman reported on NRCS activities. Gugelman reviewed budget issues. Gugelman reported that Kim Smith has resigned her position as field office secretary. Smith had done a good job and would be missed.

## **NARD**

The list of legislative committee members was handed out to directors. Peterson reviewed list of directors that had indicated that they wanted to attend in December. A voting delegate and alternate needs to be appointed. Friesen appointed Anderjaska as voting delegate and Moore as alternate.

## **NACD**

The NACD e-notes for January 3, 2007 were mailed to the Directors.

## **INFORMATION & EDUCATION**

The Information & Education report was mailed to the Directors. Gall updated the directors on grant status. The server was ordered but had to be reordered due to a change in model. The enviroscape has been purchased. The total cost was approximately \$1500. Gall will send out press releases when it is received. A training session for the Envirothon is scheduled for January 31 in McCook. Competition is February 28. March 1 is water conference in McCook. Discussion was held concerning who was invited to the banquet in Lincoln. Gall reported that she has received a huge response to an article done about the pocket irrigation guide in the Nebraska Farmer. Calls have come from all over the country showing interest in the guide. Discussion was held on the letter written by Smith.

## **NE REPUBLICAN RIVER MANAGEMENT DISTRICTS ASSOCIATION**

Smith reported that the next Association meeting will take place January 12, 2007 in McCook, at the fairgrounds at 10 a.m.

## **OTHER AGENCIES AND ASSOCIATIONS**

Roger Stockton discussed RC&D activities. Stockton circulated the agenda for the Southwest Nebraska RC&D Council meeting scheduled January 25. A letter concerning a planning session scheduled for January 25 was also circulated. A draft contract for landowners participating in the riparian project has been put together and sent out for approval. The project is for one mile of the stream. The group hopes to do the bulk of the tree removal this spring. It will cost approximately \$200,000 to set up ET equipment for moisture systems per site. Stockton circulated a flyer for an Opening the Door to New Rural Opportunities

workshop being held in Curtis at NCTA.

Stockton reviewed how RC&D is set up for the new directors. Hayes and Frontier County currently has an opening for delegate alternates.

Gall indicated that if anyone had suggestions for speakers for the Water Conference in March to please let her know.

Anderjaska reported on an email he sent to Nelson's office. Loomis, Nelsen, Haag and Anderjaska met with a representative of Nelson's office concerning water issues. The representative would like 4 or 5 purposes presented to their office for Nelson to present at the federal level. Discussion was held concerning CSP being approved for the Republican Basin. Schurr recommended inviting him to the next meeting. Smith indicated that maybe he should be invited to speak at the Water Conference. Anderjaska would contact him.

## LEGISLATION

A list of committee chairs was mailed to directors. NARD update was handed out. On the back of this update is the list of Legislative committees and the members for each committee. Smith reviewed the bills listed on Edson's report. Smith reviewed the Basin Administration Committee concept that will be introduced by Senator Christensen.

Christensen would like the board to present a stance on transfers. Smith indicated that in his opinion the State needs to be more involved in the transfer process. Christensen would like a list of concepts and the concepts ranked in importance. Discussion was held on how transfers come in to play concerning water transfers and Compact Accounting. The board has previously taken the position of supporting the concept of transfers. Discussion was held concerning re-approving the concept with the new directors.

## GROUND WATER

A report concerning the Republican Basin was put together by Dean Edson with the help of Smith and Gall. This allows Edson to have something in writing when questioned about what is being done by the Districts.

A letter was sent to Associated Press, a number of newspapers, State Senators, DNR and numerous other offices. Smith reviewed the Article from the Lincoln Star reporting that Bleed was appointed director of DNR. Smith reviewed a letter that he plans to send to Ann Bleed unless the Board directs him not too. The letter is requesting that answers need to be received from DNR in order to make any further decisions. This letter is being courtesy copied to the Governor and Dean Edson.

Bleed would like to meet with managers and a few board members January 25 after the legislative conference. Smith would like to put concepts together this spring and hold public meetings. By June, Smith would like to schedule public hearings.

- ◆ A motion was made by Anderjaska and second by Loomis to approve Smith sending the letter presented to Ann Bleed at DNR.

Ayes 10      Nays-0      Motion carried

Discussion was held concerning Bleed's comment concerning not knowing acres. Smith indicated that he discussed this with Mike Thompson of DNR and they do have the acres.

## WELL PERMITS

A report on well permits was handed out. Smith reviewed the report.

## METER REPAIRS, READINGS, AND INSPECTIONS

Smith reviewed the meter report in the packets.

## **LIVESTOCK WASTE CONTROL APPLICATIONS**

Merrigan reviewed an application from Southwest Feeders. They are expanding by 1500 head.

- ◆ A motion was made by Fornoff and second by Loomis to accept the livestock waste control application.

Ayes – 10      Nays – 0      Motion carried

## **CONSERVATION MANAGEMENT FUNDS**

Smith reviewed the cost-share summary report.

- ◆ A motion was made by Fornoff and second by Nelsen to accept the report as presented.

Ayes – 10      Nays – 0      Motion carried

Smith reviewed how the cost share program is setup.

A copy of this report is on file with the minutes.

## **TREE PLANTING**

The applications for trees are slow. Discussion was held concern why the District still sells Red Cedar while programs are being implemented to remove them.

## **PERSONNEL**

Smith reported that Kim Smith, the field office secretary in Curtis, has resigned. Her last day is January 10. Kim Smith was present and reported on her new position. Smith would like to be involved with the hiring process and with the training of her replacement.

- ◆ A motion was made by Anderjaska and second by Schurr to accept Kim Smith's resignation and direct staff to fill position.

Ayes-10      Nays-0      Motion carried

## **BYLAWS, PERSONNEL POLICY, GENERAL POLICY**

Revisions to the bylaws, personnel policy, and general policy were presented at the December meeting.

- ◆ A motion was made by Anderjaska and second by Moore to approve the bylaws, personnel policy and general policy as presented.

Ayes- 10      Nays-0      Motion carried

Job descriptions were handed out to new directors.

Moore reported that new members should consider attending the Director's Responsibilities session. Anderjaska indicated that the new directors should also attend conflict of interest, accountability and disclosure.

Smith reported that Cookson had been scheduled to attend the meeting but was unable to make it. He will try to attend in February.

Discussion was held concerning the time of the February meeting and location.

- ◆ A motion was made by Schurr and second by Nelsen to have meeting at 7p.m. in Curtis at a possible new location in February.

Ayes-10      Nays-0      Motion carried

- ◆ A motion was made by Fornoff and second by Moore to go into executive session to discuss case status of case CI02-648 at 3:53p.m.

Ayes-10      Nays-0      Motion carried




- ◆ A motion was made by Fornoff and second by Moore to come out of executive session at 4:24p.m.

Ayes-10      Nays-0      Motion carried

Chairman Friesen adjourned the meeting at 4:27 p.m.

The next meeting will be Tuesday, February 13, 2007 at 7 p.m. Location to be announced at a later date.

  
\_\_\_\_\_  
Christy Peterson  
Board Secretary



Perkins Chase and  
Dundy Counties  
Headquarters in Imperial

# Upper Republican NATURAL RESOURCE DISTRICT

P.O. Box 114  
135 W. 5<sup>th</sup> S  
Imperial, NE 6903  
Phone 308-882-517  
308-882-558  
FAX 308-882-452

February 9, 2007

Republican River Basin NRD Boards:

Although it is preferable that the State of Nebraska move to the forefront in meeting the challenge of maintaining compliance without imposing substantial negative effects on the constituents of the Republican basin, it is imperative action be taken without further delay, while the State ponders which course of action it will pursue. The Upper Republican Natural Resources District has elected to put forth an additional plan for assisting the State of Nebraska in complying with the Republican River Compact and Settlement Agreement, which the State of Nebraska negotiated and entered into with Colorado and Kansas. Notwithstanding the fact that NRDs are not structured nor funded to assume the leadership role in representing the State of Nebraska in interstate matters, compliance is such a critical issue that the Upper Republican Natural Resources District is of the conviction that in order to achieve any meaningful progress towards compliance a plan should be submitted to the basin water users and the legislature to allow immediate action without further delays.

It is the philosophy of the Upper Republican Natural Resources District that a basin plan should meet three primary goals: First, the plan should provide a means for the state to comply with the compact obligations in the most expeditious manner possible. Second, a basin plan should minimize the economic impact on the basin, while maintaining compact compliance. Finally, a plan should provide equitable treatment of water users within the basin. Each of these goals is of equal importance and one should not be sacrificed in order to attain another.

The State and basin must be prepared to deal with varying climatic circumstances and the plan must be flexible enough to allow responses to these variations. The plan must include mechanisms to address, over the long-term, the ability of the State to remain in compliance in times of short-term drought conditions such as the ones the basin is currently experiencing. Insuring the State's uses continue to be within the long-term average allocation will most likely be accomplished by employing regulatory schemes which have long-term impacts. Undoubtedly, we will continue to focus on offsetting the lag effect resulting from past pumping to the extent that it increases over time, as well as depletions from any new uses. Almost without exception, the management tools currently employed by the basin NRDs, such as allocations and irrigation retirement have positive effects which are, and will be, realized over an extended period of time. Additional long-term management issues that need to be dealt with are the control of riparian vegetation and channel maintenance. However, in order to adequately address periods of drought which do occur, it is imperative that a plan also contain methods which achieve results within a relatively short period accounted in terms of the compact. Thus, an effective plan must target reductions in use to an area where the benefits will be recognized immediately and step-up efforts to increase the basins water supply, which should include retiming the benefits of long-term management activities through streamflow augmentation.

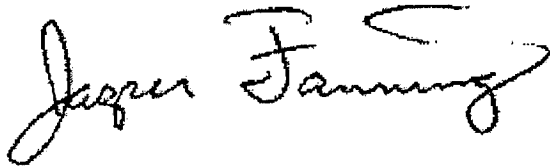
One of the major obstacles which may be encountered in implementing an effective basin plan is funding. Any efficient plan must consider the ability to levy property taxes at the current levels to fund the administrative expenses associated with basin-wide compliance activities. Further, in the event it is necessary that local funding be implemented, the most reasonable alternative appears to be a per acre fee imposed on all irrigated acres located in the basin as a fair means of generating additional local funds. Additionally, it is our position that in order to assure equitable treatment that the per acre fee be limited to a maximum of \$10.00 and the funds generated locally be matched to provide activities for compliance and for reduction of consumptive use.

The Upper Republican Natural Resources District realizes there are differences between the natural resources of the Districts, even within the basin. These differences are what make maintaining local control a paramount for the best management of natural resources within this basin and the state. In our proposed basin plan that we've outlined, we recognize that the differences between upland and alluvial water uses and the timing of their

impact on streamflow will require that different regulations be considered for each type of use. The reductions will necessarily, be targeted at the alluvial areas of the basin. Furthermore, targeting reductions nearer Kansas with the intent of delivering water to Kansas would require reduction disproportional across the basin. These differences we feel will require the use of compensation programs to reach an equitable solution. These funds would largely be derived from upland areas that would not be regulated as severely during drought periods.

This proposed plan is what this District feels is the next step that must be taken in a process that has been stalled for some time. We have discussed the various options without any action being taken for far too long. In light of recent discussions and meetings with the other NRDs and the State, we are of the belief that the NRDs and the State are closer to agreement than most may perceive. However, we still do not anticipate the State formulating and recommending a plan that would maintain compliance, while achieving the goals stated above, which we are convinced a basin plan should strive to accomplish. Thus, we offer this proposal to take the first step in formulating a practical and achievable basin plan. We hope that the other Districts in the basin and the state will continue to cooperate in the development and implementation of a plan that will protect the constituents and the economy of the basin. It is our desire to present a plan that is supported by all of the NRDs in the basin to the legislature in anticipation that they will act in time and manner which would not delay this critical issue for any longer.

Respectfully,

A handwritten signature in cursive script that reads "Jasper Fanning". The signature is written in black ink and is positioned above the printed name and title.

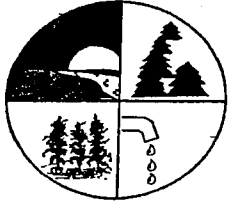
Jasper Fanning  
General Manager

Outline of Republican River Basin Compliance Plan  
offered by the Upper Republican NRD on 2/6/2007

This proposed plan is meant to be a starting point for discussion among basin NRDs and the NDNR in formulating and implementing a compliance plan. In no way is it thought that this initial draft is complete or that the items included are not open for discussion or revision. We intend that this outline can merely be used to stimulate the seemingly stagnant process of formulating a compliance plan for the basin and anticipate that all of the parties involved will offer input to the process, so that the basin can formulate the best compliance plan possible.

- 1) Goals:
  - a) Comply with compact as soon as possible
  - b) Comply with means that cause least economic impact
  - c) Compensate individuals disproportionately burdened
- 2) Funding:
  - a) Current \$0.03 levy (continued)
    - i) For administration of compliance plan activities
- 3) Per acre irrigated fee
  - a) For funding local share of compensation of alluvial water users during drought periods
  - b) For funding local share of augmentation, vegetation removal, etc.
  - c) Authorized as maximum fee per acre (\$10)
    - i) Local match(20%) to State funding(80%) of Compliance Activities (\$5)
    - ii) Local programs for local groundwater management activities (\$5)
  - d) Paid on every irrigated or allocated acre
    - i) Tax records and Certified acres should match so can be collected by County Treasurer
  - e) Industrial water use should pay as well?
- 4) Compliance Activities (Immediate, Intermediate, and Long-term are meant to describe how quickly the benefits of these activities will be realized):
- 5) Immediate Compliance Activities
  - a) Reduce use and storage of surface and alluvial groundwater similarly situated to the extent necessary to comply with compact.

- b) Augment supplies.
- 6) Intermediate Compliance Activities
  - a) Manage vegetation.
  - b) Channel management.
- 7) Long Term Compliance Activities
  - a) Regulation (is Already occurring for groundwater)
    - i) Offset lag effect.
      - (1) The 5% reduction in 2005 was partly to offset recent increases in lag effect.
    - ii) Offset new uses.
- 8) Acknowledgements (or some of the remaining things that the basin must decide how to deal with):
  - a) Most reductions in use will occur in alluvial areas where response is quickest or most efficient.
    - i) All NRDs have varying percentages of development in alluvial areas.
  - b) Upland areas would contribute majority of local funding from per acre fee.
    - i) Upland areas can offer little in water for immediate compliance activities, thus increased financial contribution would be required to maintain equity.
  - c) Allocations will have to continue to be adjusted to maintain consumptive use within Nebraska's normal compact allocation (primarily in the upland).
- 9) NRDs represent all of the people within the basin.
- 10) State funding will be necessary.



## Cost-Share Summary

February 13, 2007

### NSWCP FY-2005-06

Funds Remaining \$674.15 carried forward  
 Open Applications 0 for \$0.00

### NSWCP FY-2006-07

| CO         | % District | # of Apps | Funds Available | Funds Used  | Funds Remaining | Percent Used |
|------------|------------|-----------|-----------------|-------------|-----------------|--------------|
| NC19       | 10%        | 0         | \$0.00          | \$0.00      | \$0.00          | #DIV/0!      |
| Frontier   | 25%        | 7         | \$25,319.91     | \$19,322.59 | \$5,997.32      | 76.31%       |
| Hayes      | 19%        | 6         | \$19,243.13     | \$16,806.42 | \$2,436.71      | 87.34%       |
| Hitchcock  | 19%        | 9         | \$19,243.13     | \$20,252.34 | -\$1,009.21     | 105.24%      |
| Lincoln    | 18%        | 5         | \$18,230.33     | \$9,826.93  | \$8,403.40      | 53.90%       |
| Red Willow | 19%        | 7         | \$19,243.13     | \$19,001.63 | \$241.50        | 98.75%       |

|                 |              |           |        |             |
|-----------------|--------------|-----------|--------|-------------|
| Funds Available | \$101,279.62 | Completed | 12 for | \$33,945.55 |
| Funds Obligated | \$85,209.91  | Open      | 22 for | \$51,264.36 |
| Funds Remaining | \$16,069.71  | Cancelled | 2      |             |

### Local Conservation Program

|            |     | Available     | Used       | Remaining   | Used   |
|------------|-----|---------------|------------|-------------|--------|
| Frontier   | 20% | 1 \$21,120.00 | \$192.40   | \$20,927.60 | 0.91%  |
| Hayes      | 20% | 4 \$21,120.00 | \$1,033.78 | \$20,086.22 | 4.89%  |
| Hitchcock  | 20% | 5 \$21,120.00 | \$5,383.69 | \$15,736.31 | 25.49% |
| Lincoln    | 20% | 3 \$21,120.00 | \$876.60   | \$20,243.40 | 4.15%  |
| Red Willow | 20% | 2 \$21,120.00 | \$1,652.50 | \$19,467.50 | 7.82%  |

|                 |              |           |        |            |
|-----------------|--------------|-----------|--------|------------|
| Funds Available | \$105,600.00 | Completed | 14 for | \$8,838.97 |
| Funds Obligated | \$9,138.97   | Open      | 3 for  | \$2,700.00 |
| Funds Remaining | \$96,461.03  | Cancelled | 3      |            |

#### # of Apps

|              |    |            |
|--------------|----|------------|
| Carryover    | 2  | \$2,400.00 |
| Trees        | 1  | \$708.49   |
| Well Sealing | 15 | \$6,117.98 |

### **New Applications**

| Name     | County | Practice  | Costshare | Program |       |
|----------|--------|-----------|-----------|---------|-------|
|          |        |           |           | LCP     | NSWCP |
| Hansen   | LI     | Seal well | \$300.00  | YES     | 0     |
| Hagemann | HI     | Seal well | \$300.00  | YES     | 0     |
| Sydow    | HI     | PGS well  | \$685.00  | 0       | YES   |
| 0        |        | 0         | \$0.00    | 0       | 0     |
| 0        |        | 0         | \$0.00    | 0       | 0     |
| 0        |        | 0         | \$0.00    | 0       | 0     |

Published Tuesday | January 30, 2007

## Kansas official criticizes Nebraska water use

BY DAVID HENDEE

WORLD-HERALD STAFF WRITER

The top Kansas water official is scolding Nebraska's local water regulators for not doing enough to comply with an inter-pact on sharing Republican River water.

David Pope, chief engineer of the Kansas Department of Water Resources, said it is not clear whether Nebraska's natural resources districts fully understand their state's obligations to Kansas.

"Our impression . . . is there is concerted resistance by water users and perhaps NRDs (natural resources districts) abo the need to take additional regulatory action on water use," Pope said in an interview Monday.

"We think it's time for those decisions to be made," he said.

Gov. Dave Heineman says Nebraska could be as much as 200,000 acre-feet of water short of its obligation to Kansas by end of this year. An acre-foot of water covers an acre of land 12 inches deep.

Heineman says Nebraska's troubles in the Republican basin are part of statewide water challenges that could cost \$128 million during the next 12 years. He wants state taxpayers to contribute \$2.7 million annually to a water fund.

Kansas sued Nebraska in 1998, claiming that the proliferation and use of thousands of irrigation wells in the Republican basin took water from the river that should have flowed to Kansas under a 1943 compact. The states reached an out-of-court settlement in 2002 that didn't change the original compact but required Nebraska to factor in the impact of basin irrigation wells as it complies with the interstate pact.

Nebraska farmers and public officials in the basin say the impact of lower incomes and land values that would be caused severe limits on the amount irrigators can pump could destroy their farms and communities.

"Nebraska's failure to reduce water use has and is significantly increasing the hardships experienced by Kansas water us and there is no end to these hardships foreseeable in the near future," Pope wrote last week to his Nebraska counterpart Ann Bleed, director of the State Department of Natural Resources.

"This is unacceptable in my view and cannot continue," he wrote.

Pope said it is apparent that substantial curtailment and reductions in groundwater pumping are needed to limit Nebraska water use. He said it's hard to imagine Nebraska providing Kansas with its share of the water without significant reduction in pumping, beginning this year.

"Yet, so far, we observe no discussion by the NRDs of pumping curtailment or reductions for 2007," he said.

He criticized NRDs for a number of "actions, omissions and misconceptions."

Among them were not making deeper cuts in pumping limits, shuffling pumping allocations from well to well and blaming land conservation measures for keeping rain and snowmelt on the land and out of the river.

Pope's letter arrived a day after Heineman appealed to NRD directors and managers at a conference in Lincoln for greater cooperation and collaboration in balancing and sustaining the state's underground water supply.

Two days later, Bleed met with NRD managers from the Republican River basin to begin discussing measures to reduce water use, including lowering the amount of water irrigators are allowed to pump.

Heineman is interested only in finding solutions, not pinpointing blame, a spokesman said.

"He has tried to reach out to the NRDs and will continue to do so. There's plenty of blame to go around. The past is past. want to move forward," the spokesman said.

Bleed said Pope's letter illustrates Kansas' concern.

"We take those concerns very seriously," she said.

Bleed said the state and NRDs are working on ways for Nebraska to comply with the water agreement.

Dean Edson, executive director of the Nebraska Association of Resources Districts, said NRDs rely on the State Natural Resources Department for guidance on setting pumping restrictions.

The Republican basin NRDs set pumping allocations recommended by the state to bring Nebraska into compliance. The districts pumped 30 percent less water than allowed in 2005 and an estimated 15 percent to 20 percent less water last year.

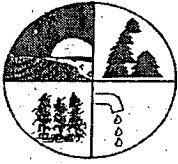
Nebraska, however, continues to fall deeper into a water deficit with Kansas.

"I don't know what else we can do," Edson said.

Contact the Omaha World-Herald newsroom

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Fax: 308-367-4285  
Email: cpeterson@mrrrd.org

**Middle Republican Natural Resources District**



13-Feb-07

**Total Certified Acres**

| County             | Certified Acres  | No of Wells             |
|--------------------|------------------|-------------------------|
| Frontier           | 74132.00         | 619                     |
| County             | Certified Acres  | No of Wells             |
| Hayes              | 67993.60         | 481                     |
| County             | Certified Acres  | No of Wells             |
| Hitchcock          | 38839.15         | 528                     |
| County             | Certified Acres  | No of Wells             |
| Lincoln            | 76467.10         | 524                     |
| County             | Certified Acres  | No of Wells             |
| Red Willow         | 55765.50         | 882                     |
| <b>Total Acres</b> | <b>313197.35</b> | <b>Total Wells 3034</b> |

**Quick Response Acres**

| County             | Certified Acres  | No. of Wells            |
|--------------------|------------------|-------------------------|
| Frontier           | 24479.7          | 245                     |
| County             | Certified Acres  | No. of Wells            |
| Hayes              | 16003.6          | 149                     |
| County             | Certified Acres  | No. of Wells            |
| Hitchcock          | 24068.1          | 379                     |
| County             | Certified Acres  | No. of Wells            |
| Lincoln            | 7702.3           | 57                      |
| County             | Certified Acres  | No. of Wells            |
| Red Willow         | 35972.0          | 597                     |
| <b>Total Acres</b> | <b>108225.70</b> | <b>Total Wells 1427</b> |

**Platte Area Acres**

| County             | Certified Acres | No. of Wells           |
|--------------------|-----------------|------------------------|
| Frontier           | 838.2           | 4                      |
| County             | Certified Acres | No. of Wells           |
| Lincoln            | 2549.5          | 14                     |
| <b>Total Acres</b> | <b>3387.70</b>  | <b>Total Wells: 18</b> |

**Usage by County**

| CountyID            | UseID      | Water Usage | Irrigated Acres | # of Meters | Average Use: |
|---------------------|------------|-------------|-----------------|-------------|--------------|
| Frontier            | Irrigation | 451990.14   | 54829.7         | 381         | 8.24         |
| Hayes               | Irrigation | 687807.60   | 66724.6         | 476         | 10.31        |
| Hitchcock           | Irrigation | 318476.03   | 33479.3         | 520         | 9.51         |
| Lincoln             | Irrigation | 873678.22   | 75042.6         | 513         | 11.64        |
| Red Willow          | Irrigation | 118374.19   | 12390.5         | 190         | 9.55         |
| <b>Average Use:</b> |            |             |                 |             | <b>10.11</b> |

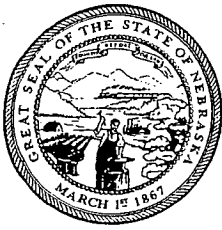
**Dan Smith**

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**From:** Ann Bleed [ableed@dnr.ne.gov]  
**Sent:** Thursday, February 08, 2007 10:59 AM  
**To:** Jim Schneider; Brad Edgerton; Dan Smith; David Cookson; Jasper Fanning; John Thorburn; Justin Lavene; Koester Paul; Michael Clements; Mike Thompson; Pam Andersen; Tina Kurtz  
**Subject:** Heads up from the Natural Resources Committee

I just found out that Senator Louden and Christensen are putting the following paragraph in their newsletters. Obviously, this goes along with the concept I told you about previously regarding a plan for Feb 28. Senator Louden and Flood are very interested in us getting plans together in time to present at the hearing on 701. Ann

The Natural Resources Committee is asking for your input in dealing with the current and, perhaps more importantly, the future of water use in all of the Republican River Basin. Any input should be given to your respective natural resources districts to assist the districts in developing a comprehensive plan whose ultimate goal is a balance between use and supply reaching a sustainable level within the limits imposed by the Compact. Last year the legislature appropriated funds for the purchase of water from the Bostwick Irrigation District, and comments were made on the legislative floor that there would be no additional funds for the purchase of irrigation rights and other solutions must be found. The Committee asks that you give your input prior to February 28 so that the districts will have that information prior to the hearing on February 28, and it will allot the districts to present their plan at that time. The Natural Resources Committee will be addressing this issue on February 28 at 1:30 p.m. with hearings at the capitol on LB 701 introduced by (Senator Mark Christensen) and LB 458, introduced by (Senator Tom Carlson).



Dave Heineman  
Governor

STATE OF NEBRASKA

DEPARTMENT OF NATURAL RESOURCES  
Ann  
Acting Director

January 23, 2007

RECEIVED

IN REPLY

JAN 29 2007

Daniel L. Smith  
Middle Republican NRD  
220 Center Avenue  
P.O. Box 81  
Curtis, NE 69025

Dear Dan,

Thanks for your letter of January 9, 2007 assuring us that the Middle Republican Natural Resources District will work with the Department to try to develop scenarios that will allow us to maintain compliance with the Republican River Compact. We welcome that assurance. We also agree that an open exchange of information is critical to the decision making process. Let me assure you that as Director I will make sure that open communication and exchange of data among all the parties does occur. We will strive to work closely with the Republican River Natural Resources Districts, irrigation districts and other stakeholders in the basin to do what we must to achieve compliance with the Compact.

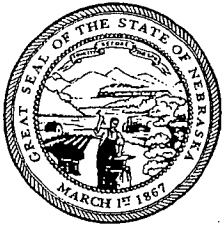
With that in mind, we will try to answer the questions you posed in your letter.

- You stated that there was no response to the letter you sent the Department in September of 2005. We believed we had provided whatever data was available at the time to address your questions at subsequent meetings with the Natural Resources Districts. We have subsequently developed additional data, which we have posted on the Department's ftp site. We will strive to understand what data you are seeking and to the extent possible, get you the answers you are seeking. We have also hired two additional ground water modelers that will facilitate our ability to do model runs and other analyses.
- You asked about previous actions taken by the state and the subsequent impact of those actions. As you know, along with a number of partners, including the natural resources districts we initiated two EQIP programs and the CREP programs to retire irrigated acres in the basin. The department has shared the status of the enrollment with you and others on numerous occasions. The actual retirement of most of these acres did not really start until 2005 and 2006. Also as you know, in 2006 the state initiated the project and provided funds to buy out existing surface water for release to Kansas. The Attorney General's office provided funds for clearing vegetation, which was also initiated in 2006. As Mike Thompson informed you, we have just finished analyzing the impacts or potential

impacts of these programs and have posted the results of the analysis on the Department's ftp site. We look forward to discussing these results with you. Finally, the Department continues to regulate surface water diversions and have had most surface water irrigators shut off for a large portion of the irrigation season for many years. We have also undertaken a massive adjudication program and have cancelled for non-use more than 17,000 acres of surface water rights since 2002.

- As you state in your letter, the settlement requires that the Department have water short-year administration measures and a report of those measures filed with the Republican River Compact Administration. Enclosed is a copy of that filing.
- With regard to basic information on the transfer process, both Jim Cook and I have provided information on the laws of the transfer process by e-mail you and as handouts at a public meeting last summer. The information provided by Jim Cook was also made available in the latest packet of information posted on the Department's ftp site.
- Your letter indicates you believe that the State should take the lead with regards to transfers and augmentation projects. As the analysis by Jim Cook states, the law does not permit surface water to be transferred out of the basin of origin and ground water cannot be transferred from a fully or over appropriated area without the permission of the NRD from which the water is being transferred. We have stated that if you can get such permission, the Department would assist in the engineering required to develop the project. To date we are unaware of any NRD willing to allow ground water to be transferred out of the basin. Furthermore, as we discussed at meetings in fall and winter of 2005, our initial evaluation of the feasibility of transfers and augmentation plans indicated that the costs of developing wells at some distance from the stream and pumping the water to the stream would be high and that it would probably be more efficient to simply retire uses close to the river. Nevertheless the Department recommended that the Natural Resources Commission fund your Republican River Augmentation Appraisal study to further explore these options with \$136,000 of a total project cost of \$170,000 from the Interrelated Water Management Program funds and the Department has stated we are willing to work with you on this study and has already provided assistance to the consultant hired to do the study. As far as protecting any water that results from these augmentation plans, the law allows the developer of the "new" water to apply for a "conduct-water permit" that would protect this water from diversion by others, and if it is new water, it could be protected through a reservoir. The Department is also working with the U. S. Bureau of Reclamation on the Frenchman Valley Appraisal Study to hopefully develop a plan for a more effective use of Enders Reservoir.
- You also asked for further information regarding vegetation control. As you know we are working with the Republican River Natural Resources Districts on the Republican River Basin Riparian Management Study and Demonstration project. The total cost of the project is \$999,868 with \$174,000 being funded by the Interrelated Water Management Funds and \$621,068 that the Department is committed to provide if our future budget requests are granted. With regard to the modeling process for the Quick-Response Area and the basis for the recent

**COPY**



**Dave Heineman**  
Governor

STATE OF NEBRASKA

DEPARTMENT OF NATURAL RESOURCES  
**Ann B.**  
Acting Director

January 23, 2007

RECEIVED

IN REPLY TO

JAN 29 2007

Dr. Jasper Fanning  
Upper Republican Natural Resource District  
P.O. Box 1140  
135 W. 5<sup>th</sup> Street  
Imperial, NE 69033

Dear Jasper

Thank you for your letter of January 8, 2007 reiterating the intent of the Republican River Basin's Natural Resources Districts intent to continue to work with and assist the State of Nebraska in maintaining compliance with the Republican River Compact. Your letter also requested outputs and results of the model runs and other information. Much of this information has recently been posted on the Department's ftp site. We look forward to reviewing this information with you and will certainly try to provide you with any additional required information in a timely manner.

Finally, we were greatly encouraged by your letter and will do whatever we can to insure that our communication with the Basin's Natural Resources Districts is frequent, open and includes a full exchange of information between all parties. We have a lot of work to do in a very short period of time, but we are looking forward to the challenge and optimistic that we can develop an acceptable plan to do what we can to maintain compliance with the Republican River Compact.

Sincerely,

A handwritten signature in cursive script that reads "Ann Bleed".

Ann Bleed, Director  
Department of Natural Resources

cc: Dan Smith  
Mike Clements  
John Thorburn  
David Cookson  
Justin Lavene

example of what it would take to achieve compliance with the Compact, we have posted the data that provided the basis for our analysis on the ftp site. We look forward to discussing these data with you.

- As far as the controls that the Natural Resources Districts and the Department jointly agreed upon in the Republican River Integrated Management Plans, these controls were based on the assumption of a normal water supply. Your plan also includes the following objective: After taking into account any reduction in beneficial consumptive use achieved through basin-wide incentive programs make such additional reductions in ground water use in Water Short Years as are necessary to achieve a reduction in beneficial consumptive use in the LRNRD in an amount proportionate to the total reduction in consumptive use that is needed in Nebraska above Guide Rock in such years. Finally, the statement that the Natural Resources Districts are the only entities to enact regulations is not correct. As stated above, the Department has actively restricted surface water diversions in the basin in accordance with the Integrated Management Plan and State law.

In conclusion, let me again assure you that the Department is committed to working closely with you and the other Republican River Natural Resources Districts to develop scenarios and implement plans to achieve compliance with the compact.

Sincerely,



Ann Bleed

cc: Governor Dave Heineman  
Dean Edson  
David Cookson  
Justin Lavene



Dave Heineman  
Governor

## STATE OF NEBRASKA

DEPARTMENT OF NATURAL RESOURCES  
Ann Bleed  
Acting Director

IN REPLY TO:

May 1, 2006

Mr. Hal D. Simpson, State Engineer  
Colorado Division of Water Resources  
1313 Sherman St., Rm. 818  
Denver, CO 80203

Mr. David Pope, Chief Engineer  
Division of Water Resources  
Kansas Department of Agriculture  
901 S. Kansas Avenue, 2<sup>nd</sup> Floor  
Topeka, KS 66612-1283

Mr. Steve Raunshagen, Acting Area Manager  
Great Plains Region  
Nebraska – Kansas Area Office  
P.O. Box 1607  
Grand Island, NE 68802-1607

Subject: Water Short Year Administration Measures

Dear Hal, David and Steve:

This letter is to formalize what we previously discussed with you on an informal basis. As identified in the Final Settlement Stipulation Section V.B.2.d., Nebraska is advising you of the following measures Nebraska plans to take in anticipation of a Water Short Year. The measures are cited by the corresponding Section in the Final Settlement Stipulation:

V.B.2.a.i. – “supplementing water for Nebraska Bostwick Irrigation District by providing alternate supplies from below Guide Rock or from outside the Basin”. Nebraska intends to enter into an agreement with the Nebraska Bostwick Irrigation District whereby it is unlikely that Superior Canal will be diverting surface water during 2006. It is estimated that 5,000 AF of natural flow would have been available for diversion into Superior Canal. This action will allow Kansas to divert the natural flow into Courtland Canal. Some irrigators in the Superior Canal surface water delivery area will be using an alternate supply from ground water wells located below Guide Rock Diversion Dam.

clrshare\patterson

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DNR 000633

Surface Water Appropriator in the Republican River Basin  
May 1, 2006  
Page 2

V.B.2.a.iv. - "reducing use of storage by Nebraska Bostwick Irrigation District above Guide Rock". As previously stated, Nebraska intends to enter into an agreement with the Nebraska Bostwick Irrigation District to purchase the use of storage available from Harlan County Lake based on the January 2006 estimate of storage from the U.S. Bureau of Reclamation. The January 2006 estimated irrigation storage supply in HCL is 15,700 AF. Nebraska Bostwick would be entitled to approximately 10,118 AF of the total.

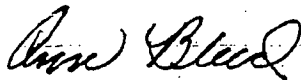
As discussed with State of Kansas and Kansas Bostwick Irrigation District Officials, it is expected that those supplies relinquished for the 2006 irrigation season will be diverted by Kansas Bostwick at the Guide Rock Diversion Dam along with the natural flow previously mentioned.

V.B.2.a.v. - "dry year leasing of water rights that divert at or above Guide Rock". Nebraska will enter into two additional agreements with surface water users. The first is an agreement with the Riverside Canal Company to forgo diversion from Frenchman Creek during the 2006 irrigation season. The diversion is immediately above the confluence of Frenchman Creek with the Republican River. It is estimated that action will maintain 2,000 AF in the river above HCL, which would have been diverted into Riverside Canal.

The second agreement above HCL is with Frenchman Valley Irrigation District (FVID). FVID's Culbertson Canal diverts from Frenchman Creek above the Riverside Canal headgate. It is estimated that would maintain 8,000 AF in the river above HCL, which would have been diverted into Culbertson Canal.

If you have any questions please feel free to contact me.

Sincerely,



Ann Bleed,  
Acting Director



## Numbers to consider

### Overview

Anne wants us to be at 185,000 Computed Beneficial Consumptive Use for ground water in five years to get in Compliance

She is going for a total of 200,000 with her plan 185,000 gw + 25,000 sw – 10,000 IWS

### Surface

Her plan only works with 25,000 sw cbcu this is surface irrigation + evaporation, it has been about twice this much

### Groundwater

#### Past History of CBCU for groundwater

01-05 average 204,389

03-07 average 203,634

#### Baseline CBCU for ground water use with no changes according to the model

07-2011 average 199,677 a/f

08-2012 average 199,677 a/f

#### 10% overall reduction in our allocations

07-2011 average 197,275 a/f

08-2012 average 196,311 a/f

#### 100% QR shutoff

08-2012 average 170,810 a/f

Average reduction of 28,867 a/f/year

### Tree Removal

I gave us approximately half credit from Anne's graphs for our share of the new water supply??

#### Cutting 5% of ET of tree areas a year for 5 years

08-2012 Average of aprox. 6000 a/f per year

128,000 acres x 5% = 6400 acres/year

At \$1000/acre x 6400 = \$6.4 mil. or \$1066/acre/foot credit

For comparison:

Shutting off all quick response and compensating landowners at:

\$125 = \$41.75 mil/year or \$1446/acre/foot

\$100 = \$34.4 mil/year or \$1157/acre/foot

\$75 = \$25.8 mil/year or \$867/acre/foot

Or CREP at \$120 (not our money) 44,400 acres for 08-2012 average credit of 4261 a/f

At \$1250/acre/ft

All these numbers came from DNR, but I ran the calculator. I tried to double check them, but I'm still not guaranteeing my results. These are Just a few of the things that popped out to me.

**Options to look at:**

Allocations  
Restrict irrigated acres  
Vegetation management  
Incentive programs  
Reviewing model inputs and processes to assure that they are accurate  
Augmentation  
Inter-basin transfer  
Surface water buyouts  
Additional surface water regulation – protecting saved water in the stream, treating surface water users the same as ground water users (equal protection)  
Conjunctive management  
Equity between quick response and upland wells  
Channelizing the river  
Weather modification  
Fee structure  
Potential bonding authority/trust fund

**Near-term ideas (2007)**

Work toward using best information – i.e. certified acres  
Buyout surface water  
Buyout KS Bostwick  
Vegetation management  
CREP / EQIP  
Plans for augmentation  
Additional model runs

**2008-2010**

Augmentation programs  
Look into conservation impacts  
Reduce allocations/reduce acres – look at both options  
Vegetation management  
Breach livestock dams – replace with stock wells  
Water outlets in terraces  
Get flows into Elwood Reservoir  
Pumping water from the east to the Republican Basin



Kathleen Sebelius, Governor  
Adrian J. Polansky, Secretary

www.ksda.gov

January 24, 2007

Dr. Ann Bleed, Director  
Nebraska Department of Natural Resources  
301 Centennial Mall South  
Lincoln, Nebraska 68509-4676

Dear Ms. Bleed:

Congratulations on your recent appointment as Director of the Department of Natural Resources (DNR). We are looking forward to working with you and your staff in dealing with many issues important to both of our states. We appreciate that both you and Governor Heineman seem to understand Nebraska's Compact obligations and the need to take them seriously. One example of this is the Governor's statement on December 14, 2006, where he said, "Our No. 1 goal for 2007 should be to be in compliance for that year." I agree.

On the other hand, it is not clear that the Nebraska Natural Resource Districts (NRDs) fully understand Nebraska's Compact obligations, especially its obligations under the Water-Short Year provisions of the Final Settlement Stipulation (FSS). They don't seem to see the need for immediate and significant actions to reduce consumptive water use to come into compliance.

As you know, the first Water-Short Year test of compliance under the Settlement is for the year 2006. Unfortunately, every indication is that Nebraska will be out of compliance with this test. The U.S. Bureau of Reclamation is projecting that 2007 will be another year with Water-Short Year Administration in effect and that the Bostwick water supply will be zero. Barring an extremely wet 2007, or without substantial action in 2007, it seems likely that Nebraska will fail both the Water-Short Year test for 2007 as well as the first five-year test of compliance for 2003 through 2007. For the first three years under Compact accounting, Nebraska overused its allocations by over 100,000 acre-feet. It is hard to imagine Nebraska being able to comply in 2007 and beyond without a significant curtailment of pumping from the beginning of the 2007 irrigation season. Yet, so far, we observe no discussion by the NRDs of pumping curtailment or reductions for 2007, much less consideration being given to implementation.

Nebraska's failure to reduce water use has and is significantly increasing the hardships experienced by Kansas water users and there is no end to these hardships foreseeable in the near future. This is unacceptable in my view and cannot continue.

Dr. Ann Bleed  
Page 2  
January 24, 2007

Given Nebraska's overuse in every accounting period to date, and the current water-short conditions, it is apparent that there will need to be substantial curtailment or reductions in groundwater pumping to limit Nebraska's consumptive use to its Compact allocation.

Nebraska's noncompliance is likely to be exacerbated by a number of actions, omissions and misconceptions being discussed at NRD board meetings and elsewhere, including, among others, the following:

- 1) NRD allocations. The NRDs are apparently not considering additional reductions in allocations for 2007 or limitations in carry-over of unused allocations.
- 2) NRD transfers/variances. Among recent NRD actions have been the approval of the transfers of unused allocations from wells enrolled in EQIP and CREP programs to other active irrigation wells, transfers of fragmented acres not enrolled in CREP and not currently irrigated to new consolidated tracts, and approval of variances for new industrial uses without full offsets.
- 3) Augmentation wells and imports. The NRD's and others are discussing plans to develop augmentation wells for pumping into the streams above key gages as a means to offset stream depletions. We note that FSS Subsections III.B.1.k, and IV H require such plans be approved by the Republican River Compact Administration (RRCA) prior to implementation.

Similarly, the NRDs and others have been discussing the potential for bringing in additional water from outside the Basin. Imported water supply credits can only be included in the modeling and accounting with the approval of the RRCA.

In either case, the RRCA groundwater model and the RRCA accounting procedures require full consideration of all the impacts of such actions. Moreover, without careful management, such waters would likely be largely consumed in Nebraska. For both reasons, benefits to Nebraska will likely be much less than anticipated.

4) Removal of non-native invasive riparian vegetation. Although the removal of phreatophytes and their replacement by less consumptive vegetation could cause some relatively small increases in Computed Water Supply, there is little consideration given to the fact that Nebraska would only receive a portion of the increase as increased allocation. Further, the reduced phreatophyte area must be input into the RRCA groundwater model, likely reducing the predicted ET salvage, further diminishing any benefit to Nebraska.

5) Conservation measures. The effect of conservation measures has also been discussed, under the apparent assumption that the RRCA groundwater model and the accounting procedures are flawed due to the lack of consideration of these impacts. This is not the case. While the runoff portion of stream flow has declined, this decline is not assigned to stream flow depletions by groundwater pumping. The model was calibrated based on the depletive effect of groundwater pumping on base flows. The gage values used in the calculation of Computed Water Supply may reflect a reduction in streamflow due to conservation measures and other

Dr. Ann Bleed  
Page 3  
January 24, 2007

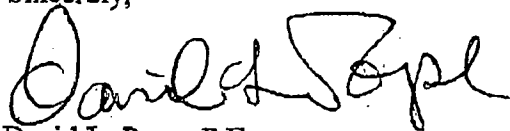
practices, but none of the states are charged with that depletion as consumptive use, whatever its cause.

I also understand that the Unicameral is considering legislation that may have the potential to further thwart the State's ability to comply with the Compact. Compact compliance is a responsibility of the State of Nebraska and any measure that would further complicate the ability of the State of Nebraska to comply would not be in the best interests of either of our states.

The FSS requires that Nebraska report to Kansas by April 30 as to how it plans to come into compliance this year. The FSS also requires that, "In each Water-Short Year Administration year, Nebraska will advise the other States and the United States no later than June 30 of the measures it has taken or will take for the year..." I am most interested in hearing your plans and actions for coming into compliance, both on April 30 and on June 30 in 2007.

I felt that I should provide you with my concerns as soon as possible so that they may be addressed immediately. These are only my initial reactions to the developments described above. Other concerns may arise upon further consideration. Thank you again for the efforts you have made thus far in furthering Nebraska's Compact compliance efforts.

Sincerely,



David L. Pope, P.E.  
Chief Engineer

DLP/db/dlh

By Fax and U.S. Mail

Received Time Jan. 24. 11:22AM

DNR 000639

REQUEST FOR TEMPORARY TRANSFER  
of Ground Water in the  
Middle Republican Natural Resources District  
GROUND WATER MANAGEMENT AREA

TRANSFER  
Date received: 9 Feb 07  
Request #: TI-2007  
For District use only

FROM: John Hubert

Address 901 Sunset Rd

City, State, Zip McCook, NE 69001

TO: Roger Goltz

Address 38453 Dr. 713

City, State, Zip McCook, NE 69001

You must include maps and photos to describe to and from areas of transfer

I hereby request to transfer the use of ground water **FROM:**

Well Registration #'s G-095139, \_\_\_\_\_, \_\_\_\_\_

In: SW 1/4 of section 33, T 3 N, R 29 W in Red Willow County

Certified Acres 20 Well Capacity (GPM) 300 Acre Inches Transferred 260 /year

Years transferred: 2007, \_\_\_\_\_, \_\_\_\_\_

History of Use: Indicate irrigated acres (or other use) in the last six years

|             |             |              |              |              |              |
|-------------|-------------|--------------|--------------|--------------|--------------|
| 1. <u>0</u> | 2. <u>0</u> | 3. <u>20</u> | 4. <u>20</u> | 5. <u>20</u> | 6. <u>20</u> |
| 2006        | 2005        | 2004         | 2003         | 2002         | 2001         |

TO: see attachment  
1/4 of section \_\_\_\_\_, T \_\_\_\_\_ N, R \_\_\_\_\_ W in \_\_\_\_\_ County

Well Registration #'s \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

Nature of Proposed Use: Irrigate Crops

Availability of Alternative Sources: \_\_\_\_\_

Negative Effect of Transfer: \_\_\_\_\_

Environmental Effect of Transfer: \_\_\_\_\_

Cumulative Effect of Transfer: \_\_\_\_\_

I understand by requesting the right to transfer the use of the ground water that I am expected to comply with the Districts rules, regulations or controls in effect or properly adopted at a later date and that the ground water transferred cannot be used by either party other than identified in this request.

John C Hubert  
signature of transferor

Jan 24, 2007  
date

Roger Goltz

1/24/2007

The District shall review such applications and issue, with or without conditions, or deny the permit within thirty (30) days after the application is properly filed. An incomplete application shall be returned for correction. If correction is not made within sixty (60) days the application shall be cancelled.

- 4-6.4 Any change in a farming operation or ownership that would result in a change in the number or location of certified acres shall be reported to the District no later than December 31 of the calendar year in which the change occurred. Any change in use of a regulated well used for purposes other than irrigation that would result in a change in that well's certification shall be reported to the District no later than December 31 of the calendar year in which the change occurred. The Board may reject such changes if it finds that such changes would cause an increase in Nebraska's consumptive use as calculated pursuant to the Republican River Compact or would have detrimental effects on other ground water users or on surface water appropriators.
- 5-1.7 The application for a transfer permit shall be denied or conditioned to the extent that it is necessary to (1) ensure the consistency of the transfer with the purpose or purposes for which the management area was designated, (2) prevent adverse effects on other ground water users or on surface water appropriators, (3) maintain compliance with the Republican River Compact, and (4) otherwise protect the public interest and prevent detriment to the public welfare. The application for a transfer permit also shall be denied if (1) the location or operation of the proposed water well or other work would conflict with any regulations or controls adopted by the District or (2) the proposed use would not be a beneficial use.
- 5-1.8 The issuance, by the District, of a transfer permit shall not vest in any person the right to violate any District rule, regulation, or control in effect on the date of issuance of the permit or to violate any rule, regulation, or control properly adopted after such date.
- 5-1.9 The issuance, by the District, of a transfer permit shall not vest in any person the right to violate any statute, state agency or other jurisdictional agency's rule, regulation, or control in effect on the date of issuance of the permit or to violate any rule, regulation, or control properly adopted after such date. It is the responsibility of the applicant to ensure compliance with other rules and regulations.
- 5-1.10 The District shall review such applications and issue, with or without conditions, or deny the permit within thirty (30) days after the application is properly filed. An incomplete or defective application shall be returned for correction. If correction is not made within sixty (60) days the application shall be cancelled.
- 5-2.6 The allocation for any use is associated with the certification of that use. The right to use the allocation shall be surrendered with a transfer of use or a permanent transfer. The new user would be limited to the quantity of allocation associated with the certified use and would be subject to the same restrictions on volume of use as the original allocation. A portion of the allocation for a municipal use may be transferred to another use. The amount transferred would be deducted from the municipal allocation.
- 5-2.9 The District may limit the allocation to the consumptive use associated with the certified use if the transfer is to a different preference use.
- 5-2.11 All requests for a transfer shall show a history of use.

Transfer the water to the land that is owned  
by Roger + Beverly Gattl in the following

~~Hitchcock Co.~~ → T-5-N R-33-W sec. 30, — N. Palmside<sup>3</sup>  
003762, 61714, 61715

Hitchcock Co. sec 15 — T-4-N — R33W — Roberts + Carter  
640753, 54266 82552

Hitchcock Co. sec 5 — T-4-N — R33W — Green, Phares,  
34292, 40752, 56464 68524 75157

Hitchcock Co. sec 14 — T-4-N — R-33W — Albrook  
33640, 61315

Hitchcock Co. sec 23 — T-4-N R-33W — Paul Carter  
75015

Hitchcock Co. sec 29 — T-4-N R-32 W — Bauer  
65480, 73159

Hitchcock Co. sec. 31 T-4-N R-32-W — New Beverly  
O

Hitchcock Co. sec. 8 T-4-N R-31 W — N. Albertson  
O

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Exhibit A