STATE OF NEBRASKA



Mike Johanns Governor DEPARTMENT OF NATURAL RESOURCES Roger K. Patterson Director

March 21, 2005

IN REPLY REFER TO:

Alice Johns, Area Manager Bureau of Reclamation Nebraska-Kansas Area Office P.O. Box 1607 Grand Island, NE 68802-1607

Dear Alice:

I am writing to you concerning a State of Nebraska proposal for funding under the Reclamation States Emergency Drought Relief Act of 1991. On December 16, 2004 I sent you a proposal requesting \$169,650 in Drought Assistance Funding to assist irrigation districts in the Republican Basin in providing reservoir storage carryover. At this time I would like to supplement that request with the following additional projects. Our top priority is the previously submitted reservoir storage carryover proposal for the Republican Basin. Our remaining proposals are:

\$100	0,000	Additional Meter Cost Share for the South Platte Natural Resources District
\$150	0,000	Meter Cost Share for the North Platte Natural Resources District
	0,000	Meter Cost Share for the Upper Niobrara-White Natural Resources District
\$450	0,000	SUBTOTAL
\$169	9,650	Previously requested funds for Republican Basin Reservoir Storage Carryover
\$619	9,650	TOTAL

I have attached descriptions of each new proposal to this letter. If you have any questions about the proposals, please contact me. Thank you for your consideration.

Sincerely,

Roger K. Patterson

Director

Attachments

METER COST SHARE ASSISTANCE FOR THE UPPER NIOBRARA-WHITE NATURAL RESOURCES DISTRICT

(3/16/05)

Background

Since 2001 conditions in the Upper Niobrara-White Natural Resources District have been dry and drought conditions are continuing in early 2005. The Bureau of Reclamation's — Mirage Flats Project in the District has received reduced water supplies at its diversion due to both the drought and groundwater pumping upstream of the project. Significant surface water — groundwater interrelationship issues exist in the basin and new options for addressing those issues have been made available by a new state law. About 2/3 of the District has been declared fully appropriated under the law and the District is in the process of addressing its interrelated water management issues in those areas. It appears likely that strong consideration will be given to making meters mandatory in areas with interrelated water management issues. The District has estimated that it will take about \$1.4 million in cost share to install meters on all high capacity wells and to date about \$400,000 has been secured of which around \$200,000 has been expended.

Benefits

Cost share for meters will help address drought in at least two major ways. First, it would allow landowners to better manage their water, resulting in less pumping by water users. The conservation that meters allow is most important in drought years. The better knowledge of pumping rates will also be useful in implementing whatever decisions are made as the District develops its integrated management plan and implements its groundwater management plan. The usefulness of the funds would be extended by the 50% cost share provided by individual landowners.

Budget

NEARLY 600

As of early March 2005 the Upper Niobrara-White Natural Resources District has 2,279 irrigation wells of which 336 have meters. At approximately \$550 per meter in cost share (50%), the \$200,000 grant would supply cost share for about 363 meters. In a few instances a meter may serve more than one well. Additional cost share funds will be sought from state and local sources.

DNR 009419

602,000 hard

METER COST SHARE ASSISTANCE FOR THE NORTH PLATTE NATURAL RESOURCES DISTRICT

(3/17/05)

Background

The North Platte Natural Resources District has experienced drought conditions and reduced river inflows in recent years. Managing water resources with precision and equity has become even more of a priority given these conditions. The North Platte Basin is also part of an area where conditions for recovery of threatened and endangered species are being examined as part of a Platte River Cooperative Agreement. Significant surface water – ground water interrelationship issues also exist in the basin and new options for addressing those have potentially been made available through a new state law. The District has been addressing its challenges through its groundwater management planning process. This proposal provides for cost share for meters to monitor ground water use.

Benefits

Cost share for meters would help address drought in a number of ways. First, it would allow landowners to better manage their water, resulting in less pumping by water users. The conservation that meters allow is most important in drought years. The better knowledge of pumping rates will also be useful in implementing whatever decisions are made under the Platte River Cooperative Agreement. Finally, the meters could assist in the district-wide groundwater management area being implemented by the Natural Resources District. The usefulness of the funds would be extended by the 50% cost share provided by individual landowners.

Budget

The North Platte Natural Resources District currently has about 3000 irrigation wells of which very roughly 600-already-have-meters. At approximately \$550 per meter in cost share (50%), the \$150,000 grant would supply cost share for about 272 meters. Additional cost share funds will be sought from state and local sources.

METER COST SHARE ASSISTANCE FOR THE SOUTH PLATTE NATURAL RESOURCES DISTRICT

(3/16/05)

Background

Over the past five years, conditions in the South Platte Natural Resources District have been dry and drought conditions have continued into early 2005. Managing water resources with precision and equity has become even more of a priority given these conditions. The South Platte Basin is also part of an area where conditions for recovery of threatened and endangered species are being examined as part of a Platte River Cooperative Agreement. Significant surface water - ground water interrelationship issues also exist in the basin and new options for addressing those have potentially been made available through a new state law. The South Platte Natural Resources District has remained very active in these challenging conditions and has adopted a variety of policies to address its water related issues. One cornerstone of its adopted approach is mandatory installation of meters on a phased schedule between May 1, 2004 and March 1, 2009. Monitoring is especially important in dry years. This proposal provides for cost share for meters to monitor ground water use. In September 2004 approval was received for \$100,000 in meter cost share assistance to District well owners and it is anticipated that money will all be utilized prior to Fall 2005.

Benefits

Cost share for meters would help address drought in a number of ways. First, it would allow landowners to better manage their water, resulting in less pumping by water users. The conservation that meters allow is most important in drought years. The better knowledge of pumping rates will also be useful in implementing whatever decisions are made under the Platte River Cooperative Agreement. Finally, the meters are essential to the districtwide groundwater management area being implemented by the Natural Resources District. That plan is being used to facilitate the proper management of ground water for concerns of quality, quantity, and integrated management. The usefulness of the funds would be extended by the 50% cost share provided by individual landowners. About 550

Budget

As of early March 2005, the South Platte Natural Resources District has 1,412 irrigation wells of which approximately 300 to 350 already have meters. At approximately \$5500 per meter in cost share, the \$100,000 grant request would supply cost share for about 181 meters. In a few instances a meter may serve more than one well.

€ 60,000