

June 14, 2004

PLAN A

Smith Reported
 1998-2002
 Avg Pumping
 309,479 AF
 290,191 Acres
 UWARD 40%
 MRWRD 29%
 LRWRD 25%
 Tri-B 6%

- 10% reduction in certified irrigated acres. — only acres w/ history of use count
 $290,191 \times 0.90 = 261,172$ acres
 Acres identified for reduction may change from year to year but must have a history of use.
 11" of allocation in lieu of 10% reduction.
- 15" base allocation. 362,739 AF on 290,191 acres
 3 year allocation beginning in the 2005 crop year. $15 \times 290,191 \div 12 = 362,739$ AF
 Limit reserve to 6 inches. $15 \times 261,172 \div 12 = 326,465$ AF
 No more than 3" overuse in any year. \rightarrow reduce 10% acres
 Not allowed to use reserve in "water short year"
- * New wells since July 1998 - 2" less than base. $18,000 \times 0.90 = 16,200$ acres
 Smith est. 15-18,000 Acres \rightarrow Smith 190 wells
- WATER SHORT YEAR - Additional reduction of 10% in alluvium, 5% for upland wells. Short term incentive program to fund compensation for these additional reductions. Primary funding shall be other than district funds.
- Incentive program to temporarily or permanently retire irrigated acres.
- Significant penalties for overuse, especially in "water short years"

3218 active wells
 311,000 total certified acres
 * 63,000 alluvial acres
 44,728 s.w. irrigated acres
 comingled 25,000? — probably too high

$$\frac{10" (261,172 - 16,200)}{12" / ft} + \frac{13" (16,200)}{12" / ft} = 265,386 + 16,200 = 281,586 \text{ AF}$$

$$306,215 \text{ AF} + 17,550 \text{ AF} = 323,765 \text{ AF}$$

Target 5% Reduction = 294,005 AF

29,760 AF short
 (about 10% short)

Open ended question about what our target is. It is currently $\approx 294,005$ AF

* Probably more like 25,000 acre increase since 1998
 $(25,000 \times 2") \div 12" / ft = 4167 \text{ AF} \approx 0.016'$ @ 261,172 acres
 $\approx 0.19"$

using "human factor" reacting to allocation

$$\frac{14" (261,172 - 16,200)}{12} + \frac{12.5 (16,200)}{12} = 285,801 + 16,875 = 302,676 \text{ AF}$$

(8671 AF short) $\approx 3\%$

290,141 Acres
 309,479 AF 1998-2002 Avg pumping
 5% reduction target = 294,065 AF

PLAN B

Base Program

Allocation - 10 in./yr. for three years - 30" total
 No over-use in water short year.

Maximum use in normal year - 14" ← Maximum reserve - 6"
 Penalties: overuse of 1" = 1 to 1 next allocation
 2" = 1 to 3 next allocation (total of 4 inches)
 3" = 10% reduction of irrigated acres (total of 4 inches plus loss of irrigated acres.)

Cumulative penalty. Can buy out penalty

Emergency Water of 4" to establish cover crop. If at the end of an allocation period an irrigator is out of water or has so little remaining on his allocation that growing an irrigated crop is not practical, he can get 4" to establish a cover crop. He must either buy this water or have it deducted from the next allocation.

Buy Water

Does not count against allocation
 10 in. free

16 in. maximum use in normal year.
 14 in. maximum use in water short year.

1-6 in normal year

1-4 in water short year

inch	\$	Total/ acre \$
1	2	2
2	4	6
3	8	14
4	16	30
5	32	62
6	64	126

Buy somewhere between Feb.1 and May 1.
 Buy anytime during allocation period. \$10 / acre late fee
 No payback for not using - Use or lose it
 Consideration for crop year (ex. wheat after beans)
 1998 wells : reduce to 27" allocation, buy water at 9.

Retired acres - eligibility

Permanent retired - 6 years payments - bid process - yearly signup
 Ground water irrigated 4 of last 6 years, 98-03. (no surface water only acres)
 Bid process - payments capped at irrigated minus dryland price difference

Temporary retirement - one year to length of allocation period. May be for a full year of allocation or pro rated on remaining allocation. Payment average bid on permanent retirement.

Penalty for fraud - loss of one years allocation. For example: meter tampering, false reporting, etc.

Points missed

⑥ 3 year averaging is one benefit of plans being adopted
 ⑦ $311,000 - 290,000 =$ extra cutback above the 5% cutback
 ⑧ Lag Effect will cause additional depletion as time goes on
 ① State has set target of 294,065 AF
 ② \$ are to help with additional cutbacks during water short years - retire acres
 ③ Compact is not a delivery compact, but a supply division compact
 ④ Plan A falls short of goal
 ⑤ Acres issue not well defined - not a base given for computation

Informational Meeting Questions
June 14-18, 2004

The information concerning possible rules presented at these meetings is proposed. No official position has been adopted by the board of directors. Your responses to these questions will help us form our decisions. We do plan on allocations for the 2005 crop year. If Nebraska is to comply with the Republican River Compact, consumptive uses will have to be reduced. Please circle your answers.

1. What is the minimum allocation that should be adopted?
a. 10 b. 11 c. 12 d. 13 e. 14 f. 15 g. 16

The district plans to use an incentive program that will provide compensation for the temporary or permanent reduction of irrigated acres. It is unlikely that the State of Nebraska will be able to fund this program completely. Please answer the following questions under the assumption that the funds raised by these programs will be used for this compensation.

2. Would you be willing to pay a fee per irrigated acre?
YES NO
3. Would you be willing to buy water above a certain allocation of 10 inches?
YES NO

These questions relate to other rules being considered by the district.

4. Would you be willing to set aside 10% of your acres each year? (You would not be able to irrigate the 10% that is set aside).
YES NO
5. Would you be willing to receive an allocation to only 90% of your acres? (You could irrigate all your acres if you want, but you would only receive an allocation for 90% of your certified acres).
YES NO
6. The district has the authority to treat wells differently based on a number of conditions. Should all irrigation wells be treated the same?
YES NO
7. The district has proposed a rule that would give new wells drilled since July 1, 1998 a lesser allocation. Do you agree with this proposal?
YES NO
8. If the district does nothing, the statutes allow the State to come in and take over ground water management. Should the district do nothing?
YES NO
9. If Nebraska does not comply with the Republican River Compact, Kansas will probably sue us again. Is this a concern for you?
YES NO
10. Please comment on any other concepts that you think the district should consider.

Vote as of Wednesday June 16 meeting.
 Received on Thursday June 17 from MRNRD.

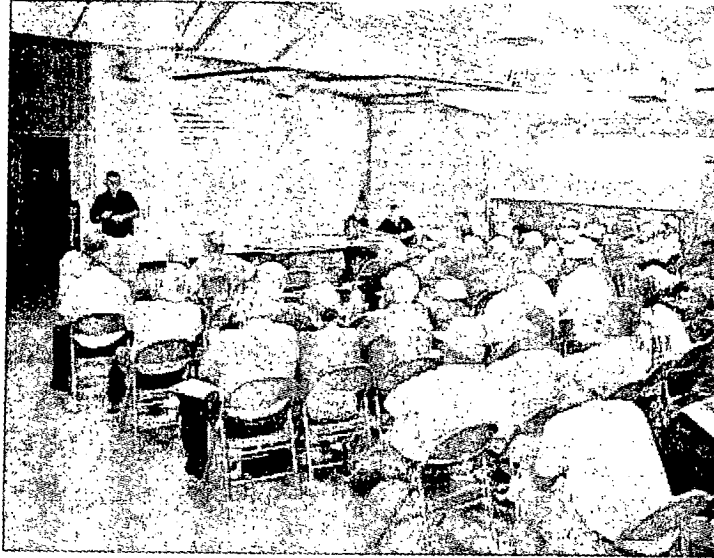
Survey Results - Informational Meetings June 14-18, 2004

	Wallace	McCook	Hayes Cntr	Trenton	Curtis	Totals
Attendance	76	71	71			218
Board	9	10	9			
Staff	4	7	3			
DNR	2	2	2			
1. Allocation						
10		5	2			7
11		1				1
12	4	6	1			11
13	1	2				3
14	11	2	3			16
15	18	20	15			53
16	11	10	25			46
2. Fee/acre						
Yes	13	11	3			27
No	31	39	45			115
3. Buy Water						
Yes	7	13	1			21
No	40	34	46			120
4. 10% Set aside						
Yes	27	30	17			74
No	17	16	29			62
5. Allocation to 90%						
Yes	30	40	22			92
No	18	8	23			49
6. Treat the same						
Yes	29	34	28			91
No	16	15	18			49
7. 1998 wells less						
Yes	11	35	21			67
No	32	14	26			72
8. Do Nothing						
Yes	6	5	5			16
No	38	45	39			122
9. Lawsuit concern						
Yes	31	38	22			91
No	12	12	23			47
10. Comments on separate sheets						

Irrigators hear water ideas

Wednesday, June 16, 2004

Bruce Crosby



Dan Smith speaks to a group of water users Tuesday night in McCook. More meetings are set for Hayes Center, Trenton and Curtis. (Bruce Crosby/McCook Daily Gazette)

There's a limited amount of water in the Republican River basin, and Kansas, Nebraska and Colorado all want it.

Kansas and Nebraska have settled a lawsuit, but now it's up to agencies like the Middle Republican Natural Resources to bring Nebraska into compliance with the agreement.

Some 90 irrigators and other water users heard MRNRD's ideas for dealing with the issue at an informational meeting Tuesday night at the Red Willow County Fairgrounds community building, following one Monday at Wallace. Others are set for Hayes Center today, Trenton on Thursday and Curtis on Friday.

The problem is especially difficult because of the current drought, NRD Manager Dan Smith said. "We're starting (the regulation process) under the worst possible conditions," he said.

Of the 132 wells the MRNRD measures each spring and fall, 111 showed a decline this year, nine were higher and 12 were not able to be measured, Smith said.

Under the Republican River Compact signed in 1943, Nebraska is entitled to 49 percent of the water in the river, Kansas 40 percent and Colorado 11 percent.

Nebraska settled a lawsuit with Kansas in 2002, which, as part of the settlement, allows Nebraska to use more than its share of water, as long as it is in compliance, on average, over five years.

Two plans were presented to the irrigators, which include reduction in certified irrigated acres, base allocations, incentive programs, an option to buy water and penalties for fraud such as meter tampering and false reporting. The plans also use various combinations of the measures to deal with drought years and other factors.

"What we need to do is get in compliance (with the Republican River Compact)," Smith said. "If not, will Kansas sue us again? My guess is, yes," he said.

Other issues include allocations for cities, and the effects of legislation.

Complicating the situation is the fact that the Upper and Lower Republican River NRD's are separate entities, and may or may not take action to bring their areas into compliance. The Middle Republican NRD board might not be willing to take drastic action if the other two are not.

At the end of the meeting, those in attendance were given the chance to fill out a questionnaire, with the results to be compiled after the series of meetings is complete.

Questions topics such as the water user's willingness to pay for a fee per irrigated acre, to buy water above a certain allocation, to set aside acres each year, to receive a reduced allocation, whether all irrigation wells should be treated the same, whether newer wells should have lesser allocations, whether the NRD should do nothing and allow the state to regulate water, and whether Kansas is likely to sue again.

Today's meeting at Hayes Center is 7 p.m. at the 4-H building.

Another meeting will be Thursday at 7 p.m. at the Trenton Community Building and Friday at 7 p.m. at the American Legion Hall in Curtis.