

Agenda Republican River Planning Meeting
April 20, 2004 10:00
Cambridge Community Center

1. Introductions
2. Review summary and board reactions
3. Review individual NRD proposals
4. What did you like about the proposals?
5. What concerns you about the proposals?
6. Discussion of initial potential ways to address any concerns (Discussion of options does not mean a commitment.)
7. Schedule and Agenda for next meeting

Republican River Planning Meeting
April 20, 2004 10:00
Cambridge Community Center

Attendance

<u>NAME</u>	<u>AFFILIATION</u>
Brad Edgerton	DNR
Jerry Kotschwar	FU Irrigation District
Phyllis Johnson	Tri-Basin NRD
Marcia Trompke	CNPPID
John Thorburn	Tri-Basin NRD
Stan Moore	MRNRD
Gayle Haag	MRNRD
Kevin Fornoff	MRNRD
Dan Smith	MRNRD
Wayne Madsen	MRNRD
Ray Winz	Tri-Basin NRD
Brad Lendeen	Tri-Basin NRD
Bob Hipple	URNRD
Terry Martin	URNRD
Kenny Owens	URNRD
Greg Pelster	URNRD
Tom Terryberry	URNRD
Dean Large	URNRD
Kenneth Albert	FU Irrigation District
Clarence Jankovits Jr.	FU Irrigation District
Roger Kolbet	H-RW Irrigation
Bryan Lubeck	LRNRD
Nelson F. Trambly	LRNRD
Mike Clements	LRNRD
Ralph Best	FCID
Robert Andrews	FCID
Roy Patterson	FCID
Dave Cookson	Atty General's Office
Justin Lavene	Atty General's Office
Chris Moore	CDR Associates
Steve Ranshaugen	Bureau of Reclamation
Marv Swanda	Bureau of Reclamation-McCook
Mike Delka	Bostwick Irrigation District-Red Cloud
Ann Bleed	DNR
Roger Patterson	DNR

Agenda

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Notes from Meeting

Roger Patterson opened the discussion stating a basic few principles that need to be kept in mind:

- Need to be fair
- Must stay in compliance with compact
- Must be able to sell plan to constituents

Roger's Initial Proposal as presented at the last meeting:

1. Use a 5 year-average 1998-2002 as the base for stream flow depletion and associated pumping. This period was picked because 2002 was the time that the state required that groundwater development cease to comply with the settlement. This period was also a dry period so pumping levels were above average.
2. Look at a two (5% and or 10%) levels of reduction of the base level district wide to deal with the lag effect, which is growing every year.
3. Additional reductions will be needed to deal with needed dry years. The remaining needed reduction will be allocated among the NRDs based on the percentage of use by each NRD in 1998-2002.
4. Concerns about depletion of the mound will be addressed separately by the TBNRD.

Reactions of the NRD boards to the general concept:

- URNRD

UPPER REPUBLICAN NRD
RRCA
AGREEMENTS
APRIL 19, 2004

AGREED:
UPPER REPUBLICAN SUPPORTS THE PUMPAGE VALUES PRESENTED
BY DEPARTMENT OF NATURAL RESOURCES ON MARCH 29, 2004 OF:

UPPER REPUBLICAN NRD	531,763 A,F,
MIDDLE REPUBLICAN NRD	309,479 A.F.
LOWER REPUBLICAN NRD	242,289 A.F.
TRI-BASIN NRD	424,247 A.F.

AGREED:
UPPER REPUBLICAN NRD SUPPORTS A 5% REDUCTION IN PUMPAGE
WITH DEPARTMENT OF NATURAL RESOURCES AND THE
REPUBLICAN RIVER NATURAL RESOURCES DISTRICTS.

AGREED:
UPPER REPUBLICAN NATURAL RESOURCES DISTRICT MAKES NO
FURTHER STATEMENTS FOR IMPLEMENTATION OF THE JOINT
ACTION PLAN AT THIS TIME.

UPPER REPUBLICAN NRD
BOARD OF DIRECTORS
APRIL 20, 2004

- MRNRD
 - The 1998-2002 is the most acceptable time frame
 - The 5-10% reduction is somewhat acceptable
 - Additional dry year reductions are hard to grasp because the requirements bounces around a lot, but there is some support for the concept.
- LRNRD
 - Three weeks ago the NRD lost its legal counsel and therefore the board has no positions and won't have until they have retained new legal counsel.

- TBNRD
 - The Board is somewhat divided because of the three different river basins in the NRD. Fewer board members are from the Republican Basin.
 - There is some concern over what is called fair. Fair does not necessarily mean that everyone should get the same amount of water.
 - If the dry year designation is based on the amount of water flowing into Harlan County Lake. Therefore we should work to put some water into Harlan County to alleviate the dry-year reductions.
 - Most of the district problems in past have been dealing with high groundwater problems. Now the NRD is committed to maintaining the water table levels.
 - The 1981-1989 time period will be used for the baseline because that is earliest time there are data for whole district.

Each NRD then presented their proposed plan.

URNRD

- Support the March 29 model pumpage values of 531, 309, 242, and 424 KAF for the Upper, Middle, Lower and Tri Basin NRDs.
- Supports a 5% reduction district wide
- Understand that they will have to reduce more but have not developed additional proposals. They are concerned that the map of QRW is showing a larger area than actually exists. A smaller QRW area will restrict the URNRD's ability to respond in water short years.

MRNRD

Proposal: April 13, 2004

1. 16" base allocation.
 - 3 year allocation beginning in the 2005 crop year.
 - Limit reserve to 6 inches.
 - No more than 3" overuse in any year.
 - Not allowed to use reserve in "water short year"

2. 10% reduction in certified irrigated acres.
 - Acres identified for reduction may change from year to year but must have a history of use.

 - Landowner may request a 10" allocation in lieu of 10% reduction?
 - Irrigated wheat or other rotations make this something we should consider.

Additional Controls

3. New wells since January 2001- 1" (or more) less than base.
4. New acres developed in 2003 – 1" (or more) less than base.
5. Additional 5% reduction in certified irrigated acres in "water short year"
Alluvial area only
6. Incentive program to temporarily or permanently retire irrigated acres.
7. Significant penalties for overuse, especially in "water short years"

* Water short year is the trigger year(s) when water in Harlan County is less than 119,000 acre-feet of storage.

In responses to questions, the NRD replied:

- Acres that are set aside must have a history of use in last 3-5 ? years.
- Pooling among wells would be allowed as long as the total amount used is within the allocation.
- Roger Patterson commented that the 16" allocation would not be a sufficient reduction but that there were a lot of other very good elements in the plan. He indicated that the 3" limit on carryover will help prevent people from ignoring the allocations in the first two years of a three year allocation. Patterson also made note that he had talked with the MRNRD about having an additional district-wide reduction in water short years.
- The MRNRD would like to compensate irrigators for reductions but they have not discussed how to fund compensation activities.
- They are considering using the mapped alluvial area as the QRW area.
- Acres that are in a 15 year federal program would remain certified as irrigated acres and could be used as part of a 10% reduction. Such acres could get water again at the end of the federal period.

The LRNRD did not present a proposal. Roger Patterson pointed out that this district had difficulties because of the wide range of precipitation from the western part of the basin to the eastern portion. Roger put together an idea of using graduated allocations across the district based on crop irrigation requirement.

The LRNRD does not either agree or disagree with the pumpage figures from model. Greg Pelster stated that is a paramount issue that needs to be resolved.

Tri-Basin NRD

Tri-Basin Natural Resources District is responsible for protecting the soil and water resources of Gosper, Phelps and Kearney Counties. These counties contain some

of the most productive farmland in the world. They are blessed with rich, deep soils and plentiful groundwater supplies for irrigation. Groundwater supplies have been supplemented by surface water diverted from the Platte River by Central Nebraska Public Power and Irrigation District (CNPPID). This combination of groundwater and surface water supplies has sustained the productivity of this area during several droughts.

Now landowners in these counties face a combination of drought, increasing development of marginal land for irrigated crop production, uncertainty about whether CNPPID will be able to supply irrigation water to its customers after 2004, and interstate agreements that require Nebraska to limit water use in the Platte and Republican River Basins. This combination of circumstances led the Tri-Basin NRD Board of Directors to propose rules that would regulate water use and limit development of irrigated land to protect groundwater and surface water supplies during their board meeting on April 13.

The proposed rules have two components: groundwater quantity rules to sustain groundwater supplies and integrated management rules to protect rivers and streams from depletion related to additional development of groundwater irrigated cropland.

Here is a summary of the proposed rules:

Groundwater Quantity Management (three stages or phases)

Phase I rules are intended to protect existing groundwater supplies. They will apply to all landowners within Tri-Basin NRD.

- The NRD will certify all irrigated acres listed on property tax rolls within the district. Land irrigated for the first time in 2004 will also be certified, as long as landowners can provide independent confirmation, such as FSA certification, indicating that a crop was irrigated during the 2004 growing season.
- Flowmeters will be required on all new wells. Landowners will need to report water use from new wells annually to the NRD.
- New high capacity wells (1000 gallons per minute or larger) can be drilled only if they are more than ¼ mile from all existing wells.
- Landowners will need to get permits from the NRD before they drill new wells, drill replacement wells or pump groundwater off overlying land.

Phase II rules will apply only to areas where a three-year rolling average of groundwater levels is lower than average groundwater levels in 1981-85.

- No additional irrigated acres can be developed after a phase II area is designated unless an equal number of certified (existing) irrigated acres are converted to a non-irrigated land use.
- Flowmeters will be required on all wells in Phase II areas.
- Board approval will be required for all well permits in Phase II areas that involve re-locating certified irrigated acres.
- Landowners must operate wells in Phase II areas at least once every five years, or they will need to be decommissioned or registered as inactive with the NE Department of Natural Resources.

Phase III rules would go into effect in any area where Phase II rules have not led to recovery of groundwater supplies after five years.

- All non-domestic water uses in Phase III areas will be allocated no more than 48" per acre over three years.

Integrated Management

Integrated Management rules are intended to protect streams and rivers from depletion due to additional groundwater consumption. These rules will initially be applied in the Republican Basin and in the Platte Basin west of Highway 183.

- No additional irrigated acres can be developed after the 2004 growing season unless an equal number of certified (existing) irrigated acres are converted to a non-irrigated land use.

These proposed rules will affect landowners across the district. Citizens need to understand the proposals, ask questions and make comments on them. Copies of the proposed rules are available on the NRD website, www.tribasinnr.org, at the NRD office, and at NRCS offices in Minden, Holdrege and Elwood. The NRD will also mail copies to anyone who requests them. Residents outside the Holdrege area can call toll-

free (877) 995-6688. Two series of meetings will also be held to give the public information and an opportunity to ask questions and suggest changes to the proposed rules. The meeting schedule is as follows:

- May 12- NRD Office, Phelps County Ag Center, Holdrege, 2 PM
- May 12- Wilcox City Auditorium, 7 PM
- May 20- Bertrand Community Room, 10 AM
- May 20- Elwood Civic Center, 1:30 PM
- June 17- Kearney County 4-H Building, Minden, 10 AM
- June 30- NRD Office, Phelps County Ag Center, Holdrege, 2 PM

A final, official public hearing will be held at the NRD office on July 13 at 1:30 PM, during the monthly NRD board meeting.

TBNRD is hesitant to do a drilling moratorium because of the uncertainty of the ability of CNPPID to deliver surface water.

The meeting broke for 20 minutes so each NRD could discuss the proposals.

After lunch the NRDs responded to the question of "What did people like about the proposals?"

URNRD

- Like idea of carry forward, but are concerned that there is a limit on the end of the period. URNRD folks don't want to give away the carry-forward
- CREP is great, but what if CREP isn't available? URNRD is trying to develop a locally derived fund to hopefully allow some people to continue irrigating as they have in the past to keep the economy alive.
- Concerned that the LRNRD did not come forward with a proposal.

MRNRD

- Have some common ground among the NRDs that we can work with.
- We need to work with DNR to help get some issues quantified.
- Need to have serious input from all districts
- Need to develop incentive programs. We need to work hard to make sure that funds get identified at the state level for incentive programs. Funding has been a concern since day 1.

LRNRD

- No comments

Tri-Basin NRD

- Hope the allocations are user friendly so can allocate among tenants, neighbors etc.

Is their support for maintaining the 1998-2002 numbers? Roger thinks these numbers are right but perhaps there may need to do some adjustment in Lincoln County.

As better data becomes available, we will use it if it is more accurate and helpful to Nebraska. We have to make sure the numbers are accurate.

The URNRD urged that some water be set aside to be used for economic development. Without such a water "slush" fund, it is difficult to lure new industry.

- Roger pointed out that industry wants assurance that there will be a water supply in the future. Having such assurance, even if it means increased regulation, is better than the uncertainty that comes when there are no rules.

We need to work together to get funding for incentive programs.

The commitment of Tri-Basin is a big point of agreement and much appreciated. This is a big step.

There is some concern among county commissioners etc that retirement of acres will be spread across the NRD rather than be concentrated in one area. The proposal by MRNRD of only allowing a percentage of certified acres to be irrigated does help to avoid concentrating idled acres in one area. We need to be careful to spread out the retirement of land if there is a funded program.

Between now and the next meeting, the following issues need to be addressed by the DNR working with each NRD or internally within the NRD.

URNRD

Internally

- How to handle the 5% versus the QRW for dry years.
- Need to develop a dry-year proposal
- CREP may not be sufficient. We need a mechanism for retiring acres. One idea would be to develop a base fee per acre as is done by the power companies. Then could charge an additional charge for each increment above the base. Biggest fear if the state were to limit allocations to 5 inches with no options to increase the amount can use per acre. The NRDs need to work together to develop a fund.
- Internally need to deal with the carryover issue. However, if the rules are structured correctly, the carryover issue will probably be resolved. The URNRD likes the flexibility gained from operating without strict regulations.
- RP agrees with URNRD, that there is a positive benefit of not limiting carryover but it will cost. However, RP likes the way MRNRD is handling carryover by limiting the amount that can be used per year and the total amount that can be carried over.

One concern, although Roger has always stressed that the RRCA is not a delivery compact, we still need to look at ways to enhance the water supply in Harlan County Reservoir.

Wayne Madsen would urge the URNRD to look at their carryover. The idea was to increase efficiency but in fact, all the carryover has done is increased irrigated acres.

MRNRD items to think about

The MRNRD needs help from Roger on determining the percentage reduction for the NRD. The NRD needs a copy of the map of surface water acres so the commingled acres can be delineated.

Internally, the NRD needs to address the 16" base allocation.

Need to work with the other NRDs to develop clear ideas on funding, perhaps through the Basin Association.

LRNRD – having some more time before the group meets again will help the LRNRD. Once they have legal counsel on board, they hope to have a proposal put together.

Some concerns include:

The 12.5” starting point seems to low, the larger amount of rainfall in the east is not a good enough justification

Need to resolve the problem of Little Blue wells that are counted toward the LRNRD acres.

A number of new wells are going in below Guide Rock that are counting against the acres in the LRNRD. There was some misunderstanding when the moratorium was designed on how it would impact the LRNRD.

Need model runs on impact of new wells after 2001.

Need to work on putting more water into Harlan.

Impressed with the proposal put forward by MRNRD.

Still concerned with the level of pumpage assigned to the LRNRD by DNR. Need to reach agreement on the proper pumpage number. Need to get the numbers up to where the pumpage numbers are realistic.

Roger replied that:

- On the wells in the Blue River basin, DNR will take that forward to the RRCA Engineering Committee to omit the Blue River wells.
- The Guide Rock moratorium was an issue with Kansas. Perhaps we should have put the moratorium in throughout the district for our own good, but that wasn't the issue with Kansas.

TBNRD

- Will be working with CNPPID to reach agreement on the mound.
- Also like the MRNRD's penalty for overuse.
- Perhaps should also be a penalty for falsely certifying acres. That authority will be available after July 16.

General Issues:

- Statutes do not allow differentiation on allocations based on when the acres were developed. This could be put on the agenda for the Water Policy Task Force. We could do this going forward, but going backward in time may be a takings issue. Dave Cookson will look into this issue.
- With regard to CREP, may be opportunities other than creating wildlife habitat to offer incentives for treating land to prevent salt cedar or change rangeland practices to benefit wildlife. This may not be directly related to the compact, however the question was asked, "Do you want these options to be available?" It would perhaps divert dollars away from retiring irrigated acres.

To Do:

Brad Edgerton of DNR will work with Bob Hipple on delineating the Quick Response Area in the URNRD. The goal is to complete the task by April 30.

What is needed from DNR?

- Model reducing pumping on Post 2001 wells
- What does 5% mean for URNRD as far as lessening the dry year burden? If URNRD does a higher percentage overall reduction, depletion down the road will be reduced but still need to close the gap in dry years. Roger proposes that the URNRD do a larger overall reduction.
- What is the surface water piece of the joint plan?

Comments from the surface water irrigators and Bureau

Bureau is concerned about what if any impacts there are on surface water users and how that fits in with the big picture. Recent impacts are pretty severe.

Mike Delka - the storage in Harlan is critical. If the rules being discussed were to apply to surface water, how would they work when there is such variation in surface water supplies. Perhaps should prioritize surface water

for retirement programs because that is where the biggest immediate benefits can be derived.

If a legislative package for incentives is put together we think there should be something there for surface water irrigators who have already suffered.

Roy Patterson – we haven't had any water on three canals for two years in a row. The irrigation districts cannot withstand that kind of supply. A lot of farmers would be tickled to death to have 6" of water.

- What are the Bureau's plans to deal with salt cedar in Swanson? There are some plans being developed but the major need to control for salt cedar is water.

At the last Basin Association meeting, the power districts discussed contracting with Ray Supalla for an economic study. One of the concerns of the power district is that there would be higher electric use in the first two years of a three-year block with little use in the third year.

July 22 in Alma Ray Supalla will present the results of the economic study.

**Next meeting May 14
Cambridge Community Center 10:00 – 4:00.**