

# DOCUMENT 11

**Bleed, Ann**

---

**From:** Wiles, Dan [dwiles@leg.ne.gov]  
**Sent:** Monday, February 25, 2008 4:40 PM  
**To:** Edgerton, Brad  
**Cc:** Bleed, Ann  
**Subject:** From Sen. Mark Christensen's office / Invitation: Water Meeting

Dear Brad:

I was asked by Sen. Christensen to send you an invitation to the water meeting he has put together for February 29, at 10:00 am, in Rm 1126 in the State Capitol. Below is the purpose and agenda of the meeting. Please do not hesitate to contact us with any questions you may have.

Thanks.

Sen. Christensen realized that the agenda of the meeting may need to be more clearly articulated for a more productive meeting, so he has put together this agenda for your convenience.

**Intent:**

The intent of the meeting is to discuss LB 1041 in the context of the Republican River Basin. Yet, the broader context behind LB 1041 is to help Nebraska be in compliance with the compact, which is what we all want and need to work together to accomplish. LB 1041 is just one issue or piece of the puzzle. How can you all help Nebraska reach this goal? Can we identify some common ground and move forward?

**Agenda:**

Administrative Questions For Dir. Ann Bleed.

- What is the percentage of credit received for each irrigation district for last years water purchases, and how was it applied for compliance?
- Where does Colorado get credit for compliance at the Colorado/Nebraska border, or another stream gage? Do they get 100% credit, or 11% credit?
- When Colorado starts pumping water near the border and dumps it into the stream and it enters Nebraska is it protected first in time first in right for surface users, or does it belong to Kansas, or does it belong to Nebraska, or does it belong to the Bureau of Reclamation?
- On a water short year, where is our credit measured, Guide Rock or Hardy?
- If we purchase water from irrigation districts again what percentage credit will we get, and where is the credit measured?
- Benefits of a non water-short year? Protection to Kansas? Protection to Harlan County Lake? No protection?

Questions for the Bureau of Reclamation.

- How can the Bureau help us in water short years?
- How are allocations set at the Bureau?
- How much are your allocations?

Other questions and issues.

2/26/2008

- What does state and federal law say about protecting water for compliance? (i.e. 1938 Hinderlider case, transfers)
- Open floor for other questions.

Moving forward:

- Can we identify any common ground?
- What do we need to work on in the near future?
- Do we want to meet again before the end of session?

Thanks for your time and effort for this meeting. See you on Friday at 10:00 am.

*Dan Wiles  
Legislative Aide  
Sen. Mark Christensen  
District 44  
State Capitol  
P.O. Box 94604  
Lincoln, NE 68509-4604  
Ph: (402) 471-2805  
Fax: (402) 479-0944  
dwiles@leg.ne.gov*

Costs and Benefits for Surface Water Lease

2006 Costs and Benefits	Water Available	AF Cost	\$/AF Cost	AF Benefit***	\$/AF benefit	Acres	\$/Acre
Irrigation District	6,400	\$ 400,000	\$ 63	3,672	\$ -	9,292.4	\$ 43.05
Frenchman Valley	2,000	\$ 100,000	\$ 50	1,256	\$ -	672.1	\$ 148.79
Riverside*	15,118	\$ 2,564,500	\$ 170	17,762	\$ -	22,446.0	\$ 114.25
Bostwick	23,518	\$ 3,064,500	\$ 130	22,690	\$ 135.06	32,410.5	\$ 94.55
Total/Average							
* \$50,000 from MRNRD							

Note RF to gage is 50% of return flow

Current Bids by Irrigation Districts and Expected Benefits

2007	Water Available	AF Cost**	\$/AF Cost	AF Benefit***	Delivery	Acres	\$/Acre
Frenchman Valley	12,573	\$ 640,000	\$ 51	6,287	1,200	9,292.4	\$ 68.87
Riverside	2,000	\$ 126,000	\$ 63	1,200	3,703	672.1	\$ 187.47
Bostwick	17,500	\$ 5,583,413	\$ 319	13,930	17,633	22,446.0	\$ 248.75
Frenchman Cambridge	26,157	\$ 7,785,000	\$ 298	17,633	50,074.4	17,663.9	\$ 440.73
Total/Average	58,230	\$ 14,134,413		47,487		50,074.4	\$ 282.27

\* Average using midpoint of acres based on Delta vs DNR for Bostwick  
 \*\* Includes a high price because of the risk the district is taking given the NRDS do not yet have the funds to pay

	ACRE Feet to Kansas	Cost per al to Kansas
Bostwick	13300	\$ 420
Frenchman	16773	\$ 464

\*\*\* The acre feet (AF) of benefit is the difference in how much Allocation minus Computed Beneficial Consumptive Use Nebraska would receive from not using the water for irrigation as compared to what we would receive if the water was used for irrigation according to the Compact Administration Accounting Procedures.

In August 2007 the Republican River Compact Administration will determine if Nebraska is in Compliance for the Water-Short-Year Administration for the years 2005 and 2006. Based on the Compact accounting numbers for 2005 and our estimates of the numbers for 2006, which have not yet been computed by the Compact Administration, Nebraska will be an average of 29,000 acre feet over our allocated supply, if we had not had the surface water lease program last year, we would have been over our allocation by another 11,000 acre feet.

The potential 37,000 acre feet of benefit from leased water in 2007 has a good chance of offsetting the expected over use of 30,000 acre feet of over use in 2007, putting us under our allocation for that year, and contributing a little toward a reduction of our overuse in 2006.

We will need to make serious reductions in the allocations even with the buyout, but the buyout will ease the burden.

Without Irrigation Gage flow	All to Ne	CU	AI-CU	Difference to with Irr
6,400	4,864	0	4,864	3,672
2,000	1,520	0	1,520	1,256
8,000	6,370	0	6,370	7,762
5,000	evap by K			10,000
13,000				17,762

Without Irrigation Gage flow	All to Ne	CU	AI-CU	Difference to with Irr
11,316	8,600	0	8,600	8,860
1,800	1,368	0	1,368	1,409
14,000	6,860	0	6,860	17,652
23,541	11,535	0	11,535	12,645
Total/Average				40,967

Frenchman Cambridge	FC	Total Cost	% for risk	Total no risk	Per acre	Total inches/acre	Cost/acin	Acres	Volume	Inch/Ac
		\$ 7,785,000		0 \$	7,785,000 \$	440.73	17.77 \$	24.80	17,663.9	
Bostwick at leg price	Bostwick	\$ 5,583,413			\$ 248.75		9.36 \$	26.59	22,446.0	
Comp to FC	Comp to FC	\$ 5,208,453					9.36 \$	24.80	22,446.0	
FC Per acre price Jasper	FC	\$ 7,785,000		0 \$	7,785,000 \$	440.73	8.00 \$	55.09	17,663.9	
	Bostwick	\$ 5,583,413			\$ 248.75		3.00 \$	82.92	22,446.0	
	Comp to FC	\$ 3,709,730					3.00 \$	55.09	22,446.0	

With Irrigation CU	% to Ne	Alloc	AI-CU
2000	76%	3,192	1,192
800	76%	1,064	264
6750	49%	5,358	(1,392)

With Irrigation CU	% to Ne	Alloc	AI-CU
7355,205	76%	7,085	(260)
1170	76%	1,129	(41)
6160	49%	5,368	(792)
10358,172	9%	943	(9,416)
Total/Average	49%	8,305	8,305
		9,248	(1,110)

Costs and Benefits for Surface Water Lease

2006 Costs and Be	Water Av: Cost	\$/AF Co:AF	Benefit	\$/AF benefit	Acres	\$/Acre
Irrigation District						
Frenchman Valley	6,400 \$	400,000 \$	63	3,672 \$	-	9,292.4 \$
Riverside*	2,000 \$	100,000 \$	50	1,256 \$	-	672.1 \$
Bostwick	15,118 \$	2,564,500 \$	170	17,762 \$	-	22,446.0 \$
Total/Average	23,518 \$	3,064,500 \$	130	22,690 \$	135.06	32,410.5 \$

\* \$50,000 from MRNRD  
Note RF to gage is 50% of return flow

Current Bids by Irrigation Districts and Expected Benefits

2007	Water Av: Cost**	\$/AF Co:AF	Benefit	\$/AF benefit	Acres	\$/Acre
Frenchman Valley	8,000 \$	640,000 \$	80	5,638 \$	114	9,292.4 \$
Riverside	2,000 \$	126,000 \$	63	1,409 \$	89	672.1 \$
Bostwick	17,500 \$	5,583,413 \$	319	17,652 \$	316	22,446.0 \$
Frenchman Camb	26,000 \$	7,785,000 \$	299	12,570 \$	619	17,663.9 \$
Total/Average	53,500 \$	14,134,413 \$	379	37,269 \$	379	50,074.4 \$

\* Average using midpoint of acres based on Delka vs DNR for Bostwick

Includes a riparian place because of the risk the district is taking given the NRDS do not yet have the funds to pay

ACRE Feet to Kansas	Cost per af to Kansas
Bostwick	13300 \$ 420
Frenchmai	16673 \$ 467

\*\*\* The acre feet (AF) of benefit is the difference in how much Allocation minus Computed Beneficial Consumptive Use Nebraska would receive from not using the water for irrigation as compared to what we would receive if the water was used for irrigation according to the Compact Administration Accounting Procedures.

In August 2007 the Republican River Compact Administration will determine if Nebraska is in Compliance for the Water-Short-Year Administration for the years 2005 and 2006. Based on the Compact accounting numbers for 2005 and our estimates of the numbers for 2006, which have not yet been computed by the Compact Administration, Nebraska will be an average of 29,000 acre feet over our allocated supply. If we had not had the surface water lease program last year, we would have been over our allocation by another 11,000 acre feet. The potential 37,000 acre feet of benefit from leased water in 2007 has a good chance of offsetting the expected over use of 30,000 acre feet of over use in 2007, putting us under our allocation for that year, and contributing a little toward a reduction of our overuse in 2006.

We will need to make serious reductions in the allocations even with the buyout, but the buyout will ease the burden.

		Am't at Headgate	% CBCU	CBCU	Amount to Harlan	
\$126,000	Riverside	2,000	60%	1,200		
\$640,000	Frenchman Valley	12,573	50%	6,287		
	Total	14,573		7,487	3,703	
	Frencman Cambridge	26,157	57%	14,909	13,930	979
\$7,785,000	Total	40,730			17,633	
				Total Benefit		
				25,120		
\$8,551,000	Kansas Bostwick Release			\$/af	18,166	
	Release for downstream			\$ 340.41	3,703	
					21,869	
\$5,583,413						