



United States Department of the Interior

BUREAU OF RECLAMATION

Great Plains Region
P.O. Box 36900
Billings, Montana 59107-6900

IN REPLY REFER TO:

GP-4600
RES-3.10

MAY 23 2007

Ms. Ann Bleed
Director
Nebraska Department of Natural Resources
P.O. Box 94676
Lincoln, NE 68509-4676

Subject: Future Impacts of Newly Approved Industrial Wells to Surface Water Supplies in the Republican River Basin (Basin), NE

Dear Ms. Bleed:

This letter is in regard to the recent approval of new and expanded industrial wells that may come online within the Basin. We have concerns that these wells may have negative impacts to surface water supplies within the Basin. Of particular interest is the installation of wells that are situated in the alluvium and located in close proximity and upstream of Federal reservoirs and diversion structures for Reclamation canal systems.

We are aware of the new ethanol plant being constructed near the City of Cambridge, NE and the possible increase of capacity being planned for the existing plant located near Trenton, NE. News reports indicate that other plants are also being planned in the Basin. The two plants mentioned above will require additional water to operate; and we understand that the water source will be from alluvial wells. In the case of the Cambridge plant, the new industrial wells will draw water from just upstream of the Cambridge Diversion Dam. Our concern relates to the surface water depletion these wells will cause and the resulting impact on water diverted for the Cambridge Canal during the irrigation season. Also, any new consumptive use (CU) associated with the Trenton plant will impact flows to the Bartley and Cambridge Canals since additional CU of the alluvial groundwater will cause almost immediate depletions to the flows in the Republican River. These new depletions will also reduce inflow to Harlan County Lake.

Since it has been established that the Republican River Basin is a fully appropriated river basin, NE Stat. 46-715 required the development of Integrated Management Plans (IMPs) by your Department and the Natural Resource Districts (NRDs). These plans have been developed and the current plans became effective during 2005. According to NE Stat. 46-715, the IMPs should include clear goals and objectives with the purpose of sustaining the balance between water uses and water supplies. We are very concerned with this balance in the Basin as it relates to surface water supplies for existing surface water uses. One of the stated objectives of the IMPs is to "prevent the initiation of new or expanded uses of water that increases computed beneficial consumptive use of water."

We assume that your Department and the appropriate NRDs conducted an assessment of the potential impacts to the surface water supplies and users in the Basin prior to the approval of this additional use. Please provide us with the analysis associated with the provisions included in NE Stat. 46-715 3c. Also

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MAY 29 2007

Jim-

Here is your
copy back. I
have made one
for myself.
Thanks.

Tracy

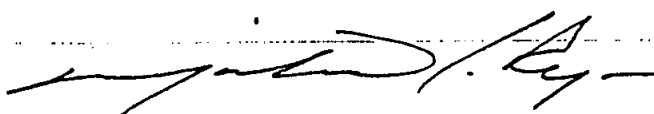
please advise us of the process that was used for approval of the wells referenced above. For the Cambridge project and other known projects, please provide: (1) The location of the wells being used for the ethanol plants, (2) the annual use expected for each well (3) the stream depletion caused by the use of the well(s) associated with the ethanol plant, and (4) if a transfer of use has occurred, provide records for the past 5 years of annual usage for the well(s) involved in the transfer. For the Trenton plant, please provide records of the last 5 years of historic pumping data and estimated depletion for wells G-127607, G-133032, and G-051715B.

As you are aware, the steady decline in surface water supplies has had significant impacts on irrigation districts throughout the Basin including the reduction in irrigated acres, shortening of the irrigation season, and changing of cropping patterns. Furthermore, many canals within the Basin have had zero water deliveries since 2003 due to low water supplies. Any new depletion to stream flow will reduce the amount of water that would otherwise be available for diversions into the Federal canals as well as reducing inflows and resulting storage levels in Federal reservoirs. Consequently, decreasing water supplies will further impact the economic benefits provided by the Federal irrigation projects and the recreational and fish and wildlife benefits associated with the Federal reservoirs.

We are well aware of the economic benefits from expanded industrial use of water within the Basin, especially the current ethanol initiatives. However, the expansion of industrial use of water should not be made without full consideration of its impact on existing surface water users in the Basin. Those relying on surface water supplies in the Basin are depending on your Department to protect and ensure that there are no further depletions to their already limited supply. We believe it is imperative that you make every reasonable effort to protect the water supplies in the Basin for the existing surface water users.

If you have any questions, please contact Stephen Ronshaugen at 308-389-5304, or Marvin Swanda at 308-345-1027.

Sincerely,



Michael J. Ryan
Regional Director

cc: Mr. Jasper Fanning
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