PUBLIC HEARING OF THE UPPER REPUBLICAN NATURAL RESOURCE DISTRICT

Held at the Imperial Community Center
1000 Wellington Street
Imperial, Nebraska
April 28, 2005
Commenced at 8:00 p.m. Concluded at 9:30 p.m.

APPEARANCES

Board of Directors:

Chairman:

Michael Strand
Mike Mousel
Donn Gegenbach
Jerry Kuenning
Terry Martin
Tom Terryberry
Greg Pelster
Kenny Owens

Kerry Bernhardt Dean Large Tim Schilke

Hearing Officer: Terry Savage

Department of Natural Resources: Tina Kurtz

Mike Thompson

Natural Resource District Manager: Jasper Fanning

Legal Counsel: Joel Burke

DAWN M. KOEPKE COURT REPORTER 308-345-3323

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10	transcript.
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	PROCEEDINGS 1
1	(Exhibit Nos. 1, 2, 3, 4 & 5 were marked for
2	identification prior to the public hearing.)
3	(At 8:00 p.m. on April 28, 2005, in Imperial,
4	Nebraska, a public meeting was held of the Upper Republican
5	Natural Resource District. The following proceedings were
6	had:)
7	MR. PELSTER: Good evening. The hour is eight
8	o'clock. This meeting of the Upper Republican NRD will come
9	to order. Um, the purpose this evening is a hearing on our
10	proposed IMP, rules and regulations and the changes herein.
11	I'm Greg Pelster. I reside in Perkins County, Subdistrict
12	10, south of Elsie and I am the Chairman of the Board. We'll
13	have introduction of the board members starting on the end
14	down here. Mick, please?
15	MR. STRAND: Mick Strand. I reside in
16	Northeast Dundy County, Subdistrict 1.
17	MR. MOUSEL: Mike Mousel, Subdistrict 8, in
18	North Central Perkins County.
19	MR. GEGENBACH: Don Gegenbach, Subdistrict 9,
20	Central Perkins County.
21	MR. KUENNING: Jerry Kuenning, Board Member At
22	Large, live in North Central Chase County.
23	MR. MARTIN: Terry Martin, Subdistrict 2,
24	Central Dundy County.
25	MR. TERRYBERRY: Tom Terryberry, Subdistrict 7,

	PROCEEDINGS 2
1	Imperial.
2	MR. OWENS: Kenny Owens, Subdistrict 5,
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4	MR. BERNHARDT: Kerry Bernhardt, Subdistrict 3,
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6	MR. LARGE: Dean Large, Subdistrict 6,
7	Northeast Chase County
8	MR. SCHILKE: Tim Schilke, Subdistrict 4. I
9	live south of Lamar.
10	MR. PELSTER: Go ahead, if you would.
11	Introduce
12	MS. KURTZ: Tina Kurtz, Department of Natural
13	Resources.
14	MR. THOMPSON: Mike Thompson, also with the
15	Department of Natural Resources.
16	MR. FANNING: Jasper Fanning, NRD Manager.
17	MR. BURKE: Joel Burke, legal counsel.
18	MR. PELSTER: As I said, the purpose of this
19	meeting this evening is a hearing on the proposed changes to
20 21	our Integrated Management Plan and Rules and Regulations.
	Mr. Terry Savage of Imperial will be the hearing officer this
22	evening. At this time I'll turn it over to Terry.
23 24	MR. SAVAGE: Thank you, Greg. Can everyone
25	hear me? We have pre-marked five Exhibits for this hearing.
->	We have four Publisher's Affidavits of the Public Notices in

PROCEEDINGS 3

the various papers in the region. Also marked and received a copy of the Integrated Management Plan as amended. And I do also receive the first four numbered Exhibits.

(Exhibit Nos. 1, 2, 3, 4 and 5 are made a part of this transcript and may be found at the conclusion of this transcript.)

I've been asked to request that you confine your testimony tonight to the amendments primarily to the management plan because the board will want to have a concise record if possible, because their deliberations must come to an end soon and need to make a decision.

Also, we're going to keep this record open until tomorrow at close of business, which is 4:00 p.m. That's a change from prior hearings. Again, in regard to the time that's involved here, so, that's just tomorrow will be a time for you to bring in additional testimony in written form to the NRD Office here in Imperial.

You will remember the sequence that we follow. We take testimony from state and local agencies first; from other governmental subdivisions second; from the NRD Board and staff third; and from the general public last, but, of course, not of least importance at all.

So, is there anyone here representing a state or federal

PROCEEDINGS 4

agency that wishes to offer testimony? I see a--okay, we'll recognize you to come forward. If you're going to offer oral testimony we'll need to have you sit at the table and regardless of what form your testimony will take, we'll ask you to sign in and identify yourself so the court reporter

can pick up your name. And then--are you going to read

MR. EICHNER: My testimony here.

something into the record?

MR. SAVAGE: Okay. That'll be the way to do it, then.

TESTIMONY OF DARROL EICHNER

MR. EICHNER: My name is Darrol Eichner, I am the District 4 Fisheries Manager. I live in Ogallala, Nebraska. I have responsibility of my staff for a twelve county area of Southwestern Nebraska.

MR. PELSTER: Darrol, our mike's not on. Is there a switch on there, Darrol? The one on the table would be the one. Would you use that, please?

MR. EICHNER: I'll start over. My name is

Darrol Eichner. I'm a--the District 4 Fisheries Manager. I

live in Ogallala, Nebraska, myself--or and my staff have

responsibility for fisheries management in a twelve county

area of Southwestern Nebraska. This includes Chase, Perkins

and Dundy counties. I am also representing Hal Walker,

Hatchery Superintendent of the Rock Creek State Fish Hatchery

DNR 005163

near Parks, Nebraska.

We manage approximately 10,000 surface acres at full pool of water in the Republican Basin, most of which is surface water irrigation reservoirs owned by the United States Bureau of Reclamation.

Despite dramatically low reservoir elevations, more than 760,000 visitations were made to the Republican Basin reservoirs in Nebraska in 2003. To illustrate the significant (sic) of these numbers these visitations, according to the U.S. Census Bureau, the cumulative population size of Chase, Dundy, Hayes, Hitchcock, Frontier, Red Willow, Harlan, Gosper Furnas and Phelps County (sic) is under 70,000 people.

Population statistics show a projected decline from 1990 through 2020 of 20 percent for Chase County and a 30 percent decline for Dundy County. What is most alarming to our state politicians is the significance of out-migration of our college educated young adults. Efforts have recently been made by representatives of our state to recruit back to Nebraska our well-educated young people who have taken jobs in Colorado. The enticement offered is centered on the quality of life which Nebraska provides. A quiet lifestyle, low cost of living and abundant outdoor recreational opportunities. Water-based recreational opportunities, which according to surveys, are important to well-educated young

people when they choose a place to live.

The quality of live component is of great importance, as well, although dollar values are not--are difficult to assign to it. The Nebraska Department of Economic Development lists abundant outdoor recreational sites and activities as one of the major advantages to living in Nebraska and demonstrates the attractiveness of the state. They use pictures--three--in their promotion--three of which are views of surface water. The surface water we have responsibilities to--responsibility to manage for the public benefit.

The importance of ground water management and its hydrolic--hydro logically connected relationship with surface water is important to a far greater constituency than simply irrigation demands.

We would like to once again, um, point out decline in spring flow--stream flow declines and depth to water in our domestic well and many other wells across the district, which we believe are the result of excessive ground water pumping. We believe there is sufficient evidence of the hydrologic---hydro geologic connectivity of ground water and surface water to suggest continued depletion of ground water will impact our interest further. This condition is reflected in NPDES flow monitoring at the hatchery, which we have previously testified to. As a result of our previous testimony the board has modified the initial draft IMP to grant us the

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ability to pump our two supplemental wells installed in the '70s in times of emergency. We appreciate the decision by the board to adopt the statute 46-691.03 that would recognize our need to utilize these wells to operate our Rock Creek State Fish Hatchery facility. It should be noted that these wells have never been continuously pumped and show declines in depth to water, which are of particular concern. While this decision is helpful, it is in our opinion that we will continue to realize declines in flows unless the board further lowers allocations to achieve the kind of sustain ability recommended by LB962. While we recognize that the board is concerned for the agricultural stakeholders who irrigate through the use of ground water, we would like to request that the board protect equitably the domestic users, the surface users and other non-agricultural users who depend on this valuable resource, a public resource, both today and for our future.

Thank you for the opportunity.

MR. SAVAGE: Darrol, do you want your remarks received as an Exhibit, placed in the record?

 $$\operatorname{MR}.$$ EICHNER: They're not very well composed, but you can certainly—

MR. SAVAGE: It's up to you.

Okay. We'll mark that as Exhibit 6, with two pages, and receive that. I'd like to mark that as two Exhibits, 6 & 7

8 1 and receive them. 2 (Exhibit Nos. 6 & 7 were marked 3 for identification.) 4 (Exhibit Nos. 6 & 7 are made a 5 part of this transcript and may 6 be found at the conclusion of 7 this transcript.) 8 MR. SAVAGE: Is there anybody else here from a state or a federal agency that wishes to offer testimony? 9 10 I see none. We'll move onto other governmental subdivision representatives. Do we have any of those people? 11 12 If you'll come forward, sign in and state your Yes, sir. 13 name so the court reporter can get it and then offer your 14 testimony, please. 15 TESTIMONY OF JOSEPH MORRIS 16 MR. MORRIS: Good evening. Am I talking into 17 that okay? 18 MR. PELSTER: Use that mike. That's public 19 address, the other one is the record. 20 MR. MORRIS: Okay. Good evening. My name is 21 Joseph Morris and I am the City Superintendent for the City of Grant, Nebraska. And I'd like to start first by saying 22 thank you to the NDR (sic) and the DNR for increasing the 23 municipal allocations three-tenths of an acreage for 24 25 municipalities and exempting us from further cuts during

water short years.

Um, by all means, any increase is appreciated and we have an economic development program in Grant and we put in more than ninety percent of our property tax revenue directly into economic development simply because we're in an out-migration county and we're trying to attract some business to help sustain the county, as well as the City of Grant.

Um, the allocation offered in the IMP, even though it's a little higher than it was previously, this is just simply going to strangle our economic development program. Um, our small city, we have, in the acreage we're equivalent to about 4.3 quarters and our allocation—our total allocation is roughly 3.8. The equivalent to 3.8 quarters of irrigated ground. Um, right now we're using the amount of water that's going to eat up our allocation, that leaves no room for any expansion or growth whatsoever.

We would urge the NDR (sic) and the DNR to increase municipal allocations even further, um, just to give us really a fighting chance and to make the little bit of tax revenue that we do collect, make it--make it be worth something. Thank you very much. I appreciate your time.

MR. SAVAGE: Thank you.

Are there any other representatives from governmental subdivisions? Okay, I see none. Now, is any person representing the NRD Board or Staff wish to offer testimony?

Okay, I think not. Okay, we'll open the comments, then, for 1 2 the general public now and anyone who wishes to offer testimony please come forward. If you'll recall my remarks, 3 we'd like to have you address the amendments that have been 4 made since the last hearing. And they're contained in the 5 material that's over there. Hopefully, everyone picked one 6 of those up. So, just come forward and tell the board what 7 you think they ought to hear. 8 9 UNIDENTIFIED SPEAKER: May I ask a question? 10 MR. SAVAGE: Yeah, you can ask one. 11 UNIDENTIFIED SPEAKER: Where do we find the amendments that have been changed? 12 13 MR. SAVAGE: Um, I for one am not sure if they're marked in any way. They're not specifically marked, 14 so, you'll need to just read through this and see if you can 15 pull them--pull them out. Unless someone wants to give a 16 17 short overview? 18 MR. FANNING: Definition 1.14. 19 MR. SAVAGE: Definition--What was that one, 20 Jasper? 21 MR. FANNING: One, point, one, four. 22 MR. SAVAGE: One, point, one, four. 23 UNIDENTIFIED SPEAKER: What page you looking 24 at? 25 MR. FANNING: That would be Page 8.

1	MR. SAVAGE: That's on consumptive use.
2	MR. FANNING: Oh, and the definition of the
3	replacement well changed also, can you find that? One,
4	point, four, eight, one, oh.
5	MR. SAVAGE: On Page 11, okay.
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	MR. FANNING: And then the new Rule 16all of
7	Rule 16 is, basically, a new rule. And that's on Page 24.
8	MR. SAVAGE: That's entitled Additional
9	Considerations.
10	MR. FANNING: And we added some exceptions to
11	the moratorium, which is Rule 13 on Page 21.
12	And then we changed the way we handle the municipal
13	allocation. That is alluded to by Mr. Morris. Eight, point,
14	oh, five, oh, one.
15	MR. SAVAGE: That's on Page 16 at the bottom.
16	MR. FANNING: And we added the exemption under
17	thefor the water short year in Rule 9 on Page 17, 9.02.01.
18	Except for editorial (phonetic) communities.
19	UNIDENTIFIED SPEAKER: Where's the one on the
20	ground water augmentation for fish and wildlife? Is that any
21	of theor is that just editorial
22	MR. PELSTER: Rule 16 on Page 24.
23	MR. FANNING: Sixteen, oh, one, oh, two. It's
24	included in that 16. No, that's not correct.
25	It's in there somewhere. Just a second.

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1 MR. SAVAGE: Eleven point oh, six is on Page 20 2 at the top. 3

MR. FANNING: I think that's it.

MR. SAVAGE: Okay, does that help?

UNIDENTIFIED SPEAKER: He referred to a change

on Page 21 that I missed. I'm sorry.

MS. KURTZ: It's 13.01.01.

TESTIMONY OF STEVE SMITH

MR. SMITH: My name is Steve Smith. represent WaterClaim. WaterClaim represents over 50,000 owned acres and many more farmed acres in the Upper Republican NRD. Many are uncomfortable speaking in public and hope someone will speak for them. They have joined WaterClaim because they are very concerned about what you're doing.

This board is charged with protecting the interest of our water. And what are our interests? I want there to be enough water to continue a way of life. I want the quality of water protected. I want my representative to protect my water and my ability to raise a crop and pay my bills and invest in my land. I also want to be left alone. I think most of the people here subscribe to the idea that I won't bother you and you don't bother me. But today your actions have a direct influence on my life and the viability of my community. So I care what you do. I want to know what you

plan. And I think each of us has a right to know what decisions you are making and why you're making them. Going into closed session over the creation of public policy is not only illegal, but also wrong. It makes us suspect everything that you do. And I just noticed that in Rule No. 1508, that's something new I hadn't noticed before. I think that is a bad addition.

Last month you voted to adopt as policy what the state law requires you to do. And that is to consider several different things as you create this IMP. It requires you to study the economic impact of various plans. To my knowledge, this NRD has not done this and doesn't show any signs of doing it. Is it better economically for the community to reduce allocations; to eliminate irrigated acres; to eliminate carryover and pooling; to import water; or reduce trees along the river? I don't think this NRD has looked at the economic pros and cons of each of these ideas, as it voted to do just last month. If it has done so, it hasn't done so publicly.

This IMP makes a reduction from fourteen and a half to thirteen and a half inches and allows us to use carryover and pooling. This change will have zero benefit towards the settlement with Kansas. That means if you do not implement this IMP for another month or two there will be no negative effect.

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Why wait a bit to adopt the IMP? This IMP as written has limited protections if the state asks for more water. If the drought persists, if the Model shows more need, if the lag effect is ever explained, if, if, if. I've got lots of them. What protections exist if any of those ifs happen? Only that we make changes in proportion to what the Middle and the Lower do.

What I want to see is a limit to that risk. I want to know that if the state comes back and asks for more water, I want to know what we're going to do. It's that unknown that There are enough numbers out there to make some is scary. predictions. I want to know that if the state asks for more water, I don't have to worry about my allocation being cut and instead that we can do a water transfer to satisfy I want the agreements in place. I want the permits and the infrastructure there so that instead of wondering, I know what will happen. This not knowing is bad. discourages the risk taker in our community. True the guy that has his land paid for can survive, because he has little other than his Caribbean cruise to worry about. But this increased risk hurts the community. It affects a lot more than farmers. The young people in town say, "I would like to build a house, but I think I'll wait until I know what's going to happen with the water."

This board could easily manage that risk. It could

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reduce it, anticipate it and predict it so that we can plan.

This IMP has none of those protections in it. We will do

anything necessary.

But instead if just complaining, I believe it is -- it's my belief that it's important for us to offer solutions. Some on this board have said that you don't like the water transfer idea because it does not do anything to protect the aquifer. And that's true, the one that we have proposed before. So, we have drafted yet another proposal. It looks at a way to solve the problem by importing water instead of shutting down irrigation. I have with me a draft of a proposal that I would like to submit to this board for your consideration. It shows how we can solve Nebraska's biggest water issues. One, it fills Lake McConaughy. It puts water in the Platte River, helping the four Platte River NRD eliminate their over-appropriated status. It provides the Nebraska Game and Parks, and our good friend, Darrol Eichner, here, with a large amount of water to help threatened and endangered species. It helps the Game and Parks by adding some new lakes and rivers. It eliminates the Colorado Republican River Settlement problem. It stabilizes the aquifer in the Upper Republican NRD. It satisfies Nebraska's commitment to Kansas.

Our share of the cost for the people that live here is about three and a half dollars an acre to do this. And

instead of that money being spent to retire land and persuade 1 people to move away, it can be used to solve problems on a 2 3 large scale. 4 I believe this district can lead this state in finding solutions. Does this idea have to be a part of the IMP? No, 5 but I think as the IMP is written now it takes a step in the 6 7. wrong direction. I think this NRD would be the hero of the state if it took the time to look at this new proposal I give 8 you tonight and adopt it as your solution. As one USGS scientist just told me here last week, "If 10 you can get Nebraska to do it, this will be a model for the 11 12 nation." 13 I hope you will insert language into the IMP that eliminates risks, gives us a predictable future and I hope 14 you will review this proposal carefully. Together, I think 15 16 you can create a very possible solution. 17 MR. SAVAGE: Steve, you have your remarks and 18 then you have the plan? 19 MR. SMITH: Correct. 20 MR. SAVAGE: Do you have just one copy? 21 MR. SMITH: Just one copy each. 22 MR. SAVAGE: I'm going to mark your remarks as Exhibit 8 and the plan as 9. And we'll receive those. 23 24 (Exhibit Nos. 8 and 9 were 25

marked for identification.)

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(Exhibit Nos. 8 and 9 are made a part of this transcript and may be found at the conclusion

of this transcript.)

Does anybody else wish to offer testimony? Okay.

TESTIMONY OF KATHLEEN SCHNELLER

MS. SCHNELLER: I am Kathleen Schneller, S-C-H-N-E-L-L-E-R. I'm from Holyoke, Colorado. I'm a landowner.

First of all, I would like to thank all you on the board for all you do. I know it's not an easy job. But next, I want to say that the NRD Board is elected to make the best choices for our farmers and our communities. You are our local control with all the tools needed to implement these choices. Your allegiance is to us and not to outsiders who do not have a stake in our part of the state. It will not effect them or their families. My husband and I have been blessed with four children who, after college, have returned to farm, which is what they love most and they want to raise their children in a safe, rural environment. This is what I would like to see for others. But this won't happen if the water is cut back any further. So, we need assurance that if the lack of rain continues in the future years you will not keep cutting us back, but will make it a priority to explore other avenues, such as the removal of water sucking vegetation that grows in and along the rivers and most

importantly water transfer. We need to be inventive and to think outside the box, so to speak.

I can tell you, if you think the Kansas Pact is our only problem, you are wrong. WaterClaim has had representatives attending different water meetings around the state and there are people involved in these that won't be satisfied until they totally shut down irrigation in Dundy, Perkins and Chase. They feel the water is best used for recreation. So what I am saying is, if we are not to be bullied, and I do mean bullied, out of our water, we all need to join together, NRDs, farmers, merchants and community members, to make the best choices for us in Southwest Nebraska, and to stand firm and united for our voice to be heard all over the state. Farmers are notorious for thinking things can't happen and that someone else will take care of our problems, it ain't so people. We have to do it ourselves.

One last thing, at the last meeting there was a statement that you can raise 180 bushel--85 bushel, or 80 bushel corn on six inches of irrigation water. And I'd just like to add that I--that these people are saying this, but the charts I've found on the ET or the water--crop water use say six inches, which is considered limited irrigation, will get you 135 bushels of corn, and that thirteen point eight inches considered full irrigation will yield you a 178 bushels. Maybe some of you have just read the chart wrong.

1 But in this day and age, with the high price of seed, fertilizer, fuel, electricity and low corn prices, you need a 2 3 200 bushel average to survive. And 135 bushels just won't do 4 it. Thank you. 5 MR. SAVAGE: Thank you. I'm going to mark 6 these Kathleen, as Exhibit 10, and receive them. 7 (Exhibit No. 10 was marked for 8 identification.) 9 (Exhibit No. 10 is made a part 10 of this transcript and may be 11 found at the conclusion of this 12 transcript.) 13 MS. SCHNELLER: Thank you. 14 MR. SAVAGE: Do we have anybody else that 15 wishes to offer testimony? 16 TESTIMONY OF MARK CHRISTENSEN 17 MR. CHRISTENSEN: I'm Mark Christensen from 18 Imperial, Nebraska, business owner here in town. And I guess 19 I'd just like to thank you for the work you've done, but I 20 also like to encourage you to look at alternative ways to 21 keep the agriculture vibrant like it is today. Cause every 22 time we take a CREP acre or we take an equipped (phonetic) acre, take it out, them dollars don't turnover in our 23

Not only will we lose the dollar seven times

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economy.

multiplication over in our economy, that means there's less money, less people working, that will take people out of our schools. That will add to additional economic problems within our communities.

I do believe that there is--I have seen the water transfer deal that Steve presented to you. I believe it's something that I hope you'll look at and take--take a liking to. The other transfer plan that was presented is still a very viable deal for being able to get us out of water short years and take care of the immediate problem with Kansas. And this other plan could help recharge the aquifer in this basin and help keep the economy vibrant in this area.

When I come here four years ago, I come here because this was a prosperous area. This was an area that looked outside the box and was looking forward. That's why I come to this town. I come from the Lower NRD. My ground is down there. And I commend you guys for what you've done. But I encourage you to look forward. Back when Eisenhower set up the interstate system he had the foresight to look forward and I just want to encourage you guys to keep looking forward and please don't shut down our economy in this area. Thank you.

TESTIMONY OF STEVEN GRAMS

MR. GRAMS: Steve Grams, Imperial, representing Robert Grams Farm and the concepts of water transfer from

WaterClaim.

I'd like to make sure that all of you have taken into serious consideration the irrigation farmer in the middle of a twenty year debt commitment that originated on the premise of stable water availability. I would also suggest consideration be given the irrigation farmer that is through his debt, or her debt, and consider the contributions to the development of the communities in this district because of the stewardship of the irrigation farmer.

I'll be addressing an addition to the IMP directly here shortly.

The current IMP does nothing to define the limits to which the DNR can lower allocation in water short years. I don't believe that you as a board have effectively done your job in protecting the people that you represent. By signing the current IMP you're compromising the entire economic structure of your community, especially in water short years. State law requires that you consider the economic impact prior to completing the IMP. If the communities you represent really matter to you, why have you not completed an economic study prior to completing this IMP. Unless asked, is it really worth selling your community short to please and to bring ease to the state in it's effort to resolve the problems concerning the Compact Settlement Agreement? The water rich state of Nebraska allows so much water to be

wasted by simply allowing it to flow out of the state. It could easily fix the compact problems by redirecting a small portion of the water wasted. Furthermore, Nebraska has been blessed with the largest, most plentiful portions of the largest aquifer in North America. Why would you as my NRD allow the state to persuade you to compromise the people and the businesses in your district for water when, in fact, the state has excess water and is wasting water?

I would also like to ask what benefit are you to the community by conducting most of your IMP discussions behind closed doors? Many people in this room have spent decades developing their financial livelihood around irrigated agriculture. The men and women in this district are the only people in Nebraska to follow regulations and live by allocations for the last thirty years. Stewards of water, stewards of the land and community developers define an irrigation farmer from the Upper Republican Natural Resource District. What have they done to deserve to be left in the dark by drafting—in the dark and the drafting of such an important document concerning their livelihood as they know it?

Concerning Rule No. 16, Additional Considerations,

16.01. It states the board shall authorize the exploration
of alternative means of supplying water to the Republican

Basin and if warranted, any necessary research investigation

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or other activities necessary to pursue alternatives determined by the board to be plausible, efficient and feasible.

I wish to beg of the board at this time, when shall you authorize the exploration of alternative means of supply? You're about to sign a blank check. I am asking, at what point will it be warranted to start any research, investigations or other activities necessary to pursue alternatives? Furthermore, I wish to raise the question, what would the board find to be plausible, efficient and feasible in a water transfer plan? WaterClaim has drafted several different plans concerning solutions by a water transfer. These plans have bent the ears and raised the eyebrows of many from outside of our district as potential plus, plus solutions to various state water issues. it that this NRD being physically the closest of all NRDs to the WaterClaim organization made no attempt to research extensively the potential benefits WaterClaim concepts and proposals offer the people that live in the Upper Republican NRD?

If you will listen to the uppity-ups from Lincoln more than your constituents, I believe that you have misinterpreted your position. Furthermore, you are a disservice to the entire State of Nebraska by shunning an organization in your district that is designing the most

influential and beneficial water concepts in the recent history of the state. The resources and the voice that you have in Lincoln could very much be being used to help push a plus, plus solution to our water situation in the Upper Republican NRD and also a plus, plus solutions in other areas of our state. However, it appears as though cutting allocation and relying on the retirement of acres is the attitude set by this IMP. There is no immediate call to be pro-active in this IMP. You have poised the attitude that reduction is okay for the communities in your district.

The attitude set forth in this IMP has no backbone and offers no assurances of any kind to the people in this district. I suggest that you draft a new IMP that leaves allocations of fourteen and a half inches per year in the Upper Republican NRD. I ask that you place explicit language defining that no additional corrections be assumed by the Upper Republican NRD concerning Compact issues until every exhausted measure has been taken by the state to find ways of utilizing unused water resources or capturing access water leaving the state to fulfill such state obligations. By all means, maintaining carry forward and pooling is one good thing in the IMP. But they should be defined as nonnegotiable items that have no threat of ever being taken away from producers. Many have worked hard to earn their carry forward and have played by the rules in doing so.

Any future IMP modifications must be approved by the DNR. This is the one opportunity to set a higher standard. If you realize later that you have made a major mistake and your communities are being severely compromised economically, you may wish to modify the non-expiring IMP. Any changes you wish to make may be vetoed at that time by the DNR.

Before you put your name on this IMP, please remember this picture. Three consecutive water short years. You offered to do whatever it takes to help the state comply with the Compact Agreement. Carry forward has been lost because it wasn't protected. And allocations have been reduced to nine inches, which could be a hypothetical situation. If you decide at that time it is warranted to research and investigate alternative means of supplying water to the region, you can rest assured that the economic damage will have already been done by the time you get such provisions in place.

I pray that the open-minded and forward thinking members of this board stand strong against the board members that are quick to sign this IMP. Being afraid of the state or having personal agenda has nothing to do with being a true statesman of the people. Bettering your community, your state and your country is the attitude of a true statesman. Please make our IMP have this attitude. It will bring much respect and growth to our region if you do so. Thank you.

MR. SAVAGE: Steve, this is Exhibit 11. received. (Exhibit No. 11 was marked for identification.) (Exhibit No. 11 is made a part of this transcript and may be found at the conclusion of this transcript.) Anybody else wish to testify? TESTIMONY OF SCOT GERMAN

 $$\operatorname{MR}.$$ GERMAN: Scot German, Imperial. I'll only be offering oral testimony.

Um, actually, I'm pretty pleased with the work that's been done on the IMP since the last meeting. Um, the issues that I was concerned about remain of the pooling and the carry forward. The issues that I wanted to see added were added concerning the looking into transferring water from other areas into the area. And augmentation of water in the basin through mechanical means of taking out trees and things like that.

This IMP does, however, continue to reflect the momentum of the last--of the thinking of the last twenty-five years, in that we can--we can come up with a heading and a subheading and sub-numbers for points on allocation of ground water because we've really thought of those things, we can

come up with a page worth of information on that. But we can barely come up with a couple sentences on the other. And until we get to the point where--for instance, the allocation--or the transfer plans are in here to the degree that the allocations of ground water represented. We probably haven't thought those things out well enough. I hope that in the future that these areas will be expanded to where they're extensively represented as our allocation and pooling and those other kind of regulations.

Um, I'd like to address, again, what I think is your responsibility to board members to this area and it tags along with some of the things that have already been said.

As I look at the board composition I see eleven people that have all been involved in farming directly. Some have got out to some degree or the other. Others are getting out to some degree or the other. But, we're all agricultural people. Um, I appreciate the person from the Department of—actually, I couldn't say what his department was for sure, parks or wildlife or whatever. But when he started out with the statistics of the population decline forecasted for this area over the next twenty years, and then mentioned the 750,000 visits to the different recreation areas here, he's done us the service of letting us know what you guys are really afraid of. And that's the fact that there's a whole lot of them out there that like what we've got and can easily

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vote to take it away from us. Um, and that worries you guys.

I would say that some of his numbers are a little bit misleading. A visit--one man can make a visit if he hitches his boat--or unloads his boat at Harry Strunk and decides that wasn't very good for the day and then he goes down to the lake at Trenton, that counts as two visits. And it can be the same retired guy that visits the lake ninety times in a year and, uh, so, a lot of those visits undoubtedly generate out of this area, as opposed to from other areas. But I'll give him the fact that those guys come out from other areas, but they're pulling boats that weren't bought in They've probably filled up with gas before they left this area--their area and came into ours. And all that can be verified by the economic impact of how many feasible marinas are in this area. There's not a whole lot and if you take a look at what those marinas generate in comparison to agriculture, it is absolutely insignificant. Um, so, I would--As I hear these people say we need to look after our interests first, I would echo that, because this is our only chance to stand up for ourselves. If we don't defend ourselves, um, then they'll just take it without a defense. And, so, I appreciate the comments that Steve Grams has just made as far as voting for the people here first and then making sure that we've won the argument in our backyard and then see if we can take it to 'em later. And I like--I would

1	like to say that I've also read the transfer proposal
2	proposed by Steve Smith and I think it's a constitutionally
3	sound proposal. My last reading of the Constitution said
4	that in a period of shortage that the people of the state
5	will share in the suffering. It won't just be one individual
6	area or one individual. And a big water transfer problema
7	big water transfer project would be a constitutionally sound
8	solution for this problem. Thank you.
9	MR. SAVAGE: Thank you. Does anybody else wish
10	to offer testimony?
11	TESTIMONY OF BRIAN PROSSER
12	MR. PROSSER: Okay, my name ismy name is
13	Brian Prosser from Lamar. Um, can I ask a couple questions,
14	or is that notor can we do that here?
15	MR. SAVAGE: You really should just confine
16	your remarks to testimony for the board to deliberate on.
17	Because they do have the regular meetings that you can appear
18	at. Unless the board wishes to overrule that.
19	You can pose your questions in the form of testimony.
20	MR. PROSSER: I'll ask it and see if they want
21	to answer it.
22	MR. SAVAGE: Sure.
23	MR. PROSSER: When does this Compact have to be
24	signed?
25	MR. OWENS: Are you talking about the Compact

1 or the IMP? 2 MR. PROSSER: The IMP. 3 . $\ensuremath{\mathsf{MR}}\xspace$. OWENS: Depends on what state statute you 4 read. 5 MR. PROSSER: Well-6 MR. OWENS: If you read 46-720 it should have 7 been done in October of 2004. 8 MR. PROSSER: And what would the other one be? 9 Or is there another one? 10 MR. OWENS: Well, the other ones are 46, like, 713 to 718 and 19 that deals with the time frame that these 11 IMPs have to be in place. But this process was started 12 before 962 or 7--46-713 through 19 took effect. 13 14 MR. PROSSER: Okay. Um, I'm not sure what I 15 learned there, but, um, --16 MR. OWENS: State statutes are on the Web Site. 17 You can read them and --18 MR. PROSSER: Well, I guess I'm going to have to get more involved with it. But I'll make a couple 19 comments and some of these do refer to the amendments. 20 21 But, I asked several people if they were coming to this 22 tonight and their tone was apathy of what difference is it going to make? Because the board is going to cave into what 23 the state wants and for your constituents to have that kind 24 of an attitude really is--kind of bothers me and I would hope

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it would bother you some too.

Um, I would like to also throw at you the--I really thought that was an excellent point that Steve made on the time frame of this expiration. If we're doing that as a--kind of to go along with this IMP it--I'm not sure it has any benefit. This is something I feel like has got to be done up front before you sign anything. And I believe that it's great that you're looking at it, but I think we got to at least put it forefront of signing any inch allocation to this thing.

And I'm still kind of hung up with this open-ended thing. You know, I've spent ten years to get where I'm at today and I got to have two hundred plus bushel corn at these prices to even break even. And, so, if we start cutting water and we have short years, I'm done. That's it. I'm out of trim. I got no place left to trim. And if we're--if we're going to do this and we're going to leave this openended and in two years we get a drought and they say, well, cut them back to ten inches, we can't sell ground fast enough. We just can't backup fast enough. We've got to put some sort of limit on this that we can live by, or that we can take to our banker and say, "This is what I think I can do with this." But this open-ended thing is--there's--how do you plan a future on this? We can't plan a future on this. I'm not going to go out and buy any ground on this. I'm

scared to death of the ground I'm buying now with this openended thing. It's--So, I just think we got to put some real
numbers here that the people--the people like me--can take to
their banker and do something with, cause right now this is-this is as big a speculation for me as anything marketing has
ever been. So, that's kind of where I stand with this openended--I think it's just an absolute mistake and we have to
put something concrete here for us to live by. And if you're
going to put it at ten inches, at least we know what it is
and we can all pack our bags or do whatever, but at least
we've got an idea of what we're dealing with. Cause right
now we have no idea.

MR. SAVAGE: Does anybody else wish to offer testimony?

TESTIMONY OF JASON KUNKEL

MR. KUNKEL: Jason Kunkel, Lamar.

I guess I'll--I don't know, I didn't see the amendments before I got here tonight. I'll try to stick to them as closely as Game and Parks did.

Um, just for perspective, I was reading a local history here not too long ago when we had the closing of our school in Lamar. And a homestead, a neighbor of ours directly to the west from 1893 until 1895 they did not receive in total one inch of precipitation. The numbers that we are using, from what I understand, show the decline in the aquifer from

1965 until present. And I don't know if anybody has an idea of what the level was in the 1890s-early 1900s.

This IMP is only a small part of the debate taking place in Nebraska right now. And, unfortunately, it seems that the ground water irrigator has been put just square in the cross hairs.

I attended a seminar in Ogallala not too--too long ago. Mr. Mousel, I believe you were there. And a man spoke, an economist from Eugene, Oregon, and I referred to this at the last public hearing. A man by the name of Ernie Naming (phonetic). Maybe you can confirm this, but he barely batted an eyelash when he said 20,000 Oregonians lost their jobs as a result of the spotted owl ruling. Now, the things that he was proposing, Nebraska Game and Parks tonight gave us a very watered down version of that. This man is a man who has coauthored studies with the Sierra Club and Earthjustice. To me, from what I've read in the news and from my own research, I mean, they're kind of far out there, just a little bit.

Eugene, Oregon is known as the alternative capital of the Pacific Northwest. You may remember a few news stories a few years ago. They're home to a group called the Earth Liberation Front. There was--the stories referred to the torching of SUVs and homes in subdivisions. Somehow he has been kind of made into a poster boy in this debate. He's been paraded around by the Game and Parks. He refers to the

quality of life and says this will attract more people.

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Nebraska has, for a long time, been referred to as a place, well, it's nice to visit, but I wouldn't really want to live there. Those of us who have stuck it out, I guess, one could say that we're a little tougher than those who haven't. We're used to the elements and the environmental amenities that scare so many others away.

I would urge you to reconsider the recreational argument that the--well, ground water irrigation isn't that important. We can make recreation work.

Nebraska has already had a case study in this. It's called Johnson Lake. I don't know, is that managed by the Game and Parks? No? Well, irregardless (sic), it's been a recreational Mecca for sometime until recently the DEQ put a moratorium on it. In large part because of proliferation of septic tanks. You can't even go swimming there.

I guess, with that, I would just like to remind you that recreation can be just as destructive and the consumption of ground water is just another aspect of the society in which we live. We consume things everyday.

By voting for this IMP are we looking out for our best interest, or are we merely appearing the interests of those who wish to consume us? Thank you.

MR. SAVAGE: Do you want those remarks in? Or do you have any written material?

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1 MR. KUNKEL: I don't have any written. 2 MR. SAVAGE: Okay. MR. KUNKEL: Thanks. 3 4 MR. SAVAGE: Does anybody else wish to offer 5 testimony? TESTIMONY OF JEFF WALLIN 6 MR. WALLIN: I was told after last time that 7 8 you guys would appreciate it if I'd sit down. So, I will. 9 Just had a couple of numbers I'd like to throw out there. The average use by the members of this board for the 10 period 1998 through 2003 was approximately 14.4 inches. 11 That's if you take -- that's not if you average it out by 12 number of board members, it's by parcels that each of you 13 14 farm and average it out that way total. At the top end of the usage are what I consider to be 15 some of the more successful farms. Terryberrys were over 16 fifteen inches, fifteen and a quarter. Schilkes, same, 17 almost exactly in the fifteen and a quarter range. 18 Bernhardts, approximately 15.7 inches average over that time 19 frame. I'm not pointing that out to make anybody feel bad. 20 I'm just saying, in this IMP you put down that we should go 21 down to thirteen and a half inches and yet the most 22

successful, in terms of size of operation and things that I

consider to be important, the guys that have the operations

that seem to be successful, you guys are using at least an

DNR 005194

inch and a half over that, maybe close to two inches.

So, I don't know how you think trimming back to thirteen and a half is going to work. But, I personally don't see that. Um, on the other end of the spectrum, and on the bottom end of that list as far as usage would be Mike Mousel down here and now he's got another job. So, I guess, where do you want us farmers to be? Do you want us to be successful and be able to continue to grow our operations, or do you want us to all have to go to town, or move to another town and get a job? I think that's a fair question when you look at those numbers.

Personally, I think you ought to tear this thing up and start over. I don't think it's worth a crap. Just got a couple other points I'd like to make.

There's plenty of water in this state. We don't need to cut our throats here just so the State of Nebraska can meet their requirements of the Compact. There's plenty of water in Nebraska. Don't sell us out just to please them.

Second thing just to go along with that, I think there's a lot of different ways we can solve this problem. You know, the water transfer, I think, is a great idea. I think that before you do anything else, before you vote on this IMP, before you make any concessions to DNR and the state on giving up any of our water, I think you need to explore those possibilities.

Um, the other thing, I'd just like to remind you is, you know, Mother Nature is very powerful, obviously, we've gone through a terrible drought these last few years and that's why we're here today is because of that. And, I guess, I'm thinking positive, I think things are going to change. I think, you know, it's going to start raining again and we're going to have some water. But I'd urge you not to--not to give in now and hurt us in the future, because I think things are bound to change. If you're going to do anything make it a temporary thing that after one year things are going to revert back to what we have now, so that we're not just locked in for the future. If we have to do anything make it temporary so that we can go back and--cause I believe that things are going to change. Thank you for your time.

MR. SAVAGE: Anybody else? Yes, sir.

TESTIMONY OF BRAD DILLAN

MR. DILLAN: Brad Dillan, Imperial. I just guess I was hoping I would come in here with all the moisture we got and it was snowing out that you guys had changed all your minds. You know, it's getting pretty white out there again. I guess nobody is in a good mood tonight. Didn't get a laugh out of you. Anyway, uh, you know and I would like to make the public comment that I really appreciate our Senator Baker being at all these meetings. Anyway,--

MR. KERRY BERNHARDT: It wouldn't do any good

DNR 005196

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MR. DILLAN: Probably not. But to me that shows what support he really has for us here. I'm glad there's term limits now.

Um, I also went to the ground water foundation meeting in Ogallala and I come back scared to death. I'm like, yep, I know exactly why they're doing what they're doing with the IMP, you know. And, uh, Tom Osborne, he's a great man. A good Christian man, a good football coach, but he's not for the agriculture man. Not out here. He told the story, well, what kind of what he ended was telling a story of where his grandad homesteaded up at Baird. And as a kid he went up there and caught a fish out of the stream and, uh, so, here recently he went back to buy that ground and walked up to the stream and it was dry. Looked up and counted twenty center pivots. I don't know, my eyes aren't that good. I can't stand in one place and count twenty center pivots, but that really give me light where he stands. And with Game and Parks, with their agenda, Bureau of Reclamation with their agenda, um, I'm hoping that you guys have your agenda. And I think most of you do. And, uh, I, too, don't think that you ought to sign the IMP at this point until you have looked at all of our options. Just, I mean, go nuts, try and find everything we can do, you know. There may be something out there that none of us even know about yet that can just

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really turn everything around. I mean, who knows? I do understand why you're wanting to get it signed. Um, I guess, I just want you to look for everything that you can and I, too, support WaterClaim. I too support transfer of water if that's something that's viable that can be done. Um, you know, another thing I'd like to see, six inches water raise 180 bushel corn, I'd like to see it come out. You know, buy a piece of ground. Get on the same playing field as everybody else. Show us how to do it. Cause if we can do it on six inches of water, we could probably raise 220 on eight inches of water. Show us how. I think everybody would be glad that that would happen. But, we need somebody to--if that's what's out there, show us. Lead. Be a leader. should all be leaders by example. And I, too, agree that you guys are in the perfect situation to do that and to lead by example and really reach out there and look for alternatives.

I guess, I do believe if you do vote for this without looking at all this, you know, for all the solutions first, that I--I--I feel that you're not voting for the majority of the people. You're voting for the minority. So, thanks for your time.

MR. SAVAGE: Let's see. Anybody else wish to offer testimony?

TESTIMONY OF KURT BERNHARDT

MR. BERNHARDT: Hi, I'm Kurt Bernhardt from

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Lamar. And I just want to talk a little bit about the state's obligation in this whole process. I feel the state has a--got a bellyache over this and they're using the Upper Republican as their enema. That's just how I feel about it.

Article 1 on the Republican River Compact states this, the major purposes of this Compact are to provide for the most efficient use of the waters of the Republican River Basin, for multiple purposes to provide for an equitable division of such waters. To remove all causes, all causes, present and future-Let me remind you they signed this on December 31st, 1942, which might lead to controversies. are we doing here tonight? This thing is a piece of junk, this Compact. It has done nothing but create controversies. And it says to promote interstate com- --minity (phonetic) to recognize that the most utilization of the waters within a basin is for beneficial consumptive use and to promote joint action by the states and United States in efficient use of the water and a control of destructive floods. They did the flood till they built all the dams, that's great. what they built the dams for, not to irrigate out of, for flood control.

The other thing on--in Article 10, it says, it shall be the duty of the three states to administer this Compact through the official in each state. Who is that now--who is that official, Roger Patterson? I don't know. Who is now,

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or may hereinafter be charged with the duty of administrating the public water supplies and to collect and correlate through such officials the data necessary for the proper administration of the provisions of this Compact. Such officials may by unanimous action adopt rules and regulations consistent with the provisions of this Compact.

The state done nothing. They haven't done nothing since 1942. And we talk about local control. I've heard this and I sat on this board. Many of you guys know me. We don't have any local control. Anytime there was a draft of our rules, you guys know this, it had to be sent into the state, they review it and if there's anything they didn't like they come back and told us about it. Point in case when the allocation -- when we used to have a twenty inch allocation for flood ground in those fifteen per pivot, the state said you can't do that. They told--The state tells us what we can do and are still telling us what we can do. When we going to start standing up against the state? If this is how our forefathers would have felt about the English people we'd all still be speaking with an accent. But, fortunately, we had some people out there with some guts and I hope that's what we'd like to represent here.

I think there's a lot of good ideas that need to be looked at out there. I think Steve and those guys have a lot of good ideas. Do I agree with everything they want to do?

1 Probably not, but I don't agree with everything we want to do 2 here on the board either. You know, that's just human But, I've been coming to these meetings since 1988. I don't know if I've missed a hearing. Maybe one or two. And it's always the same thing every time. Let's cut, let's cut, let's cut. When's that going to end? You know, I want to protect our water supply. I think, you know, the board's to be commended for doing a lot of the work we've done to it, but our information that we've gathered since 1988, the state has taken that and they might as well hung us on the rail and drug us across the kill floor to slit our throats, because they took that information and have used it against us. took that information to let the other districts that done nothing over all these years, and used it to gather--to make an estimate, that's what it is, an estimate, of how much water they thought they used. I'd like to seen us have an eighteen inch allocation. I bet today we'd be talking about cutting to seventeen, instead of going down to thirteen and a half. Because they just took our information and used it against us.

I would just stress that we look at other alternatives before we cave in to the state again. So, thanks for your time.

MR. SAVAGE: Do you have any written material,

25 Kurt?

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MR. BERNHARDT: No, I don't.

MR. SAVAGE: Okay. Does anybody else wish to offer testimony?

TESTIMONY OF WILLIAM TINES

MR. TINES: I'm William Tines from Venango,
Nebraska. Just a short start here, when the state redone the
agreement with Kansas, I don't know if they realized it, they
just give all of our ground water to Kansas. If I pump out
of the Ogallala Aquifer, that aquifer takes in the whole
western half of the state and that's what they've done to us.
They've given that ground water away if they want to take it.
And it's my understanding, like Mr. Bernhardt said, the lakes
in this district was built for flood control. Recreation is
just a spinoff after we got the excess water.

The issue I wanted to address was 11.06 that has to do with the Rock Creek Hatchery. My comment on that is, if they already have a well down there to augment the decline in that spring water that they use, why not let them use that and take this provision out and don't complicate the matter any more. It just ties up your time on having somebody else come in. If the Champion Pond goes dry, are they going to put in a variable if they want to pump water in there? Keep it simple. That's all my comment.

MR. SAVAGE: Anybody else wish--Do you have any note material?

1 MR. TINES: No. 2 MR. SAVAGE: Okay. Anybody else wish to offer 3 testimony? I think because of the weather, we'll simply sit in place for a minute or two. If anybody else wants to get up 5 and give testimony that's fine. Otherwise, I think we'll 6 7 probably close the record. Don't let my remarks stop you. If you're ready to get up here, go ahead and come up. 8 You know, we will keep this record open for another day. 9 You can submit your testimony to the NRD Office here in 10 Imperial anytime before 4:00 p.m. tomorrow. 11 12 So, are we finished? Anybody else wish to offer 13 testimony? 14 Okay. We'll declare the record closed then. Thank you 15 very much for coming. 16 MR. PELSTER: Yeah, the correction would be that the hearing would be closed. The meeting is still open. 17 18 MR. BURKE: The record is closed. 19 MR. SAVAGE: The record is closed. 20 MR. PELSTER: The record will remain open until 21 tomorrow evening; is that correct? 22 MR. BURKE: Right. 23 MR. SAVAGE: Okay. All right. We're closing this part of the hearing. 24 25 MR. PELSTER: Yes. Okay, this portion of the

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     hearing, yes.
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CERTIFICATE

1	STATE OF NEBRASKA
2	COUNTY OF RED WIL
3	I, Dawn M. K
4	General Notary Pu
5	proceedings were
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ED WILLOW)

n M. Koepke, a Certified Court Reporter and ary Public hereby certify that the following were recorded by me, thereafter reduced to by me.

her certify that the foregoing transcript is a rrect transcript of the proceedings so had.

her certify that I am not a relative or employee of any of the parties hereto, nor a relative or such counsel; nor do I have any interest in the the action.

N WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal this 3rd day of May, 2005.

GENERAL NOTARY-State of Nebraska

My Comm. Exp. April 13,2

DAWN M. KOEPKE

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Dawn M. Koepke

General Notary Public



April 28, 2005

My name is Darrol Eichner, I am the District 4 Fisheries Manager, a 12 county area of SW Nebraska which includes Perkins, Chase and Dundy counties. I am also representing Hal Walker, Hatchery Superintendent of the Rock Creek Fish Hatchery near Parks, Nebraska. We manage approximately 10,000 surface acres (at full pool) of water in the Republican Basin, most of which are surface water irrigation reservoirs owned by the United States Bureau of Reclamation.

Despite dramatically low reservoir elevations, more than 760,000 visitations were made to the Republican Basin reservoirs in Nebraska in 2003. To illustrate the significance of these visitations, according to the U.S. Census Bureau, the cumulative population size of Chase, Dundy, Hayes, Hithchcock, Frontier, Red Willow, Harlan, Gosper, Furnas, and Phelps counties is 45,135 people.

Population statistics project a population decline from 1990-2020 of 20% for Chase county and 30% decline during the same time period for Dundy county. What is most alarming to our State politicians is the significant out-migration of our college educated young adults. Efforts have recently been made by representatives of our State in recruit back to Nebraska well educated young people who have taken jobs in Colorado. The enticement offered is centered on the quality of life which Nebraska provides. A quiet life style, low cost of living and abundant outdoor recreational opportunities. Water-based recreational opportunities which according to surveys are important to well educated young people when they choose a place to live.

The quality of life component is of great importance as well although dollar values are difficult to assign to it. The Nebraska Department of Economic Development lists "abundant outdoor recreational sites and activities" as one of the major advantages to living in Nebraska and demonstrates the attractiveness of the state with pictures, three of which are views of surface water.

The importance of groundwater management and its hydrologically connected relationship with surface water is important to a far greater constituency than simply irrigation demands.

With regard to the long term decline of stream flows of Rock Creek the NGPC recognizes the URNRD board's efforts to activate Statute 46-691.03 which would allow the pumping of wells on the Hatchery which were installed in the 70's. While it is possible to replace lost natural stream flows into the Hatchery by ground-well pumping, the Board should be informed that additional over-head costs for utilities in operating these pumps would severely impact the future operation of this hatchery facility. There are few, if any, government or privately owned fish hatcheries which can operate long term with additional costs of operating groundwater pumps.



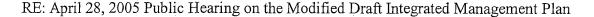
Nebraska Game and Parks Commission

Rock Creek State Fish Hatchery 70995 Rock Creek Rd, Parks, NE 69041

Phone: 308-423-2080

April 28, 2005

Integrated Management Review Board Upper Republican Natural Resource District P. O. Box 1140 Imperial, NE 69033



We would like to once again point out decline in spring flow/stream flow, declines in depth to water in our domestic well and many other wells across the district which we believe are the result of excessive groundwater pumping. We believe there is sufficient evidence of the hydrogeologic connectivity of groundwater and surface water to suggest continued depletion of groundwater will impact our water interests further. This condition is reflected in our NPDES flow monitoring which we have previously testified to. As a result of our previous testimony the board has modified the initial Draft IMP to grant us the ability to pump our (2) supplemental wells in times of emergency. We appreciate the decision by the board to adopt the statute (46-691.03) that would recognize our need to utilize those wells to operate our Rock Creek State Fish Hatchery facility. It should be noted that these wells have never been continuously pumped and show declines in depth to water which are of particular concern. While this decision is helpful it is our opinion that we will continue to realize declines in flows unless the board further lowers allocations to achieve the kind of sustain ability recommended by LB 962. While we recognize that the board is concerned for the agricultural stakeholders who irrigate through the use of groundwater, we would like to request that the board protect equitably, the domestic users, the surface water users and other non-agricultural users who depend on this valuable resource both today and for our future.

Sincerely,

Hal Walker

rchatch@ngpc.state.ne.us

cc; Darrol Eichner

cc; Larry Hutchinson

cc; Roger Patterson

aim. Variation over 50,000 armed acres. Many are uncomfortable ak for them. They have joined

EXHIBIT

My name is Steve Smith. I represent WaterClaim. Volume owned acres in the URNRD and many more farmed acres. Many are uncomfortable speaking in public and hope someone will speak for them. They have joined WaterClaim because they are very concerned about what you are doing.

This board is charged with protecting our interests regarding water. What are our interests? I want there to be enough water to continue a way of life. I want the quality of that water protected. I want my representative to protect my water AND my ability to raise a crop, pay my bills and invest in my land.

I also want to be left alone. I think most of the people here subscribe to the idea that "I won't bother you, if you don't bother me." But today your actions have a direct influence on my life and the viability of my community. So I care what you do. I want to know what you plan; and I think each of us has a right to know what decisions you are making and why you are making them. Going into closed session over the creation of public policy is not only illegal but also wrong. It makes us suspect everything you do.

Last month, you voted to adopt as policy what the state law requires you to do. That is, to consider several different things as you create this IMP. It requires that you study the economic impact of various plans. To my knowledge, this NRD has not done this and doesn't show any signs of doing it. Is it better economically for the community to:

- 1. Reduce allocations,
- 2. Eliminate irrigated acres,
- 3. Eliminate carryover and pooling,
- 4. Import water, or,
- 5. Reduce trees along the river

I don't think this NRD has looked at the economic pros and cons of each of these ideas, as it voted to do just last month. If it has done so, it hasn't done so publicly.

This IMP makes a reduction from 14.5 to 13.5 inches and allows us to use carryover and pooling. This change will have 0 benefit towards the Settlement with Kansas. That means if you do not implement the IMP for another month or two, there will be no negative effect.

Why wait a bit to accept the IMP?

The IMP, as written, has limited protections if the State asks for more water. If the drought persists, if the Model shows more need, if the Lag Effect is ever explained, if, if, if. What protections exist? Only that we make the changes in proportion to what the Middle and Lower do.

What I want to see is a limit to that risk. I want to know that if the State comes back and asks for more water, we know what we will do. It is that unknown that is scary. There are enough numbers out there to make some predictions. I want to know that if the State asks for more water, I don't have to worry about my allocation being cut but instead that we can do a water transfer that will satisfy Kansas. I want the agreements in place, the permits, and the infrastructure so that instead of wondering, I know what will happen.

This not knowing is bad. It discourages the risk takers in our community. True the guy that has his land paid for can survive because he has little other than his Caribbean cruise at stake. But this increased risk hurts the community. It affects a lot more than farmers. The young people in town say, "I would like to build a house, but I think I will wait until I know for sure what is going to happen with the water.

This board could easily manage that risk. Reduce it, anticipate it and predict it so that we can plan. This IMP has none of those protections in it. "We will do anything necessary."

But instead of just complaining, it is my belief that it is important to offer solutions. Some on this board have said that you don't like the water transfer idea because it does nothing to protect the aquifer. True.

So we have drafted yet another proposal. It looks at a way to solve the problem by importing water instead of shutting down irrigation. I have with me a draft of a proposal that I would like to submit to the board for its consideration. It shows how we can solve Nebraska's biggest water issues:

- 1. One, it fills Lake McConaughy
- 2. It puts water in the Platte River, helping the four Platte River NRD eliminate their over-appropriated status.
- 3. It also provides the Nebraska Game and Parks with a large amount of water to help with the threatened and endangered species.
- 4. It eliminates Colorado's Republican River Settlement problem.
- 5. It stabilizes the aquifer in the URNRD so we no longer draw it down.
- 6. It satisfies Nebraska's Republican River Settlement requirement for longer than any of us will live.

Our share of the cost for the people that live here is about \$3.50 an acre. Instead of that money being spent to retire people and land, it can be used to solve problems on a large scale.

I believe this district can lead the State in finding solutions. Does this idea have to be a part of the IMP? No, but I think the IMP, as written now, contains a step in the wrong direction. I think the NRD would be the hero of the State if it took time to look at this new proposal that I give you tonight and adopted it as its solution.

As one USGS scientist told me about this proposal, "If you can get Nebraska to do this, it will be the model for the nation."

I hope you will insert language in the IMP that eliminates the risks and gives us a predictable future. I hope you will carefully review this proposal. Together, I think you can create a very possible solution.



Accessing the Underground Ocean

Water Ideas for Nebraska

Addressing the needs of

Lake McConaughy
The "Over Appropriation" of the Platte River
Aquifer Recharge
and the
Republican River Settlement Agreement with Kansas

May 2005 Draft

WaterClaim
308 882-3020
info@waterclaim.org

Accessing the Underground Ocean One Page Summary

Complete plan at www.waterclaim.org

The Issues: Even though Nebraska is a very water rich state, it has a water distribution problem. Extended droughts and Colorado's decision to divert as much water as legally possible away from the Platte River have revealed cracks in Nebraska's ability to meet its needs.

- Lake McConaughy is very low;
- 2. Platte River flows are less than optimum for habitat concerns;
- 3. There are serious aquifer declines in the Upper Republican NRD; and,
- 4. Nebraska must take action on the Republican River to satisfy the Kansas Settlement.

Nebraska wastes about six million acre feet of surface water each year. This is far more than the state needs in order to meet all of its demands, even in the driest of years. In addition, large portions of the nation's largest aquifer are full and cannot hold more water; yet, this water is inaccessible.

The Problem: Nebraska has not developed policy and programs to move water from areas of excess to areas of need.

The Solution: A statewide policy that identifies areas of surplus and areas of need and then develops programs that cause the transfer of water to happen in an ecologically and economically productive manner.

This proposal addresses four of the state's largest water issues. This proposal calls for an increase in the rate of the natural flow from the Platte River Basin portion of the Sandhills into the Platte River just west of Lake McConaughy and on into the area of the greatest draw down in the same aquifer in Chase County. This transfer will help fill Lake McConaughy, increase the Platte River flow, recharge the aquifer, and satisfy the Kansas/Nebraska Settlement regarding the Republican River.

The cost of the project is approximately \$265,000,000 in one time costs. Recurring costs are about \$13,000,000 per year, with about half of the recurring costs being note payments on the one time costs. This project generates about 450,000 acre feet of water that can be transferred each year: 310,000 acre feet are transferred into the Platte near Lewellen and 140,000 acre feet are transferred into Chase County and allowed to flow into the Republican River.

Much of the water transferred into the Platte can be treated like an environmental account and held for the benefit of wildlife. The water transferred into Chase County satisfies the requirements of the Settlement agreement and helps recharge the same Ogallala aquifer.

There are several benefits:

- It fulfills the requirements of the Republican River Settlement with Kansas;
- It helps Lake McConaughy remain full every year,
- It provides the farmers in the entire region with stable water policies;
- Main street businesses are assured of a stable agriculture and recreational economy;
- Cost is substantially less than all alternative solutions; and,
- The state economy is grown rather than restricted.

ROUGH DRAFT May 2005

Accessing the Underground Ocean Water Ideas for Nebraska Detailed Overview

Summary

Because ground water is managed locally and because surface and groundwater are managed separately, there is no agency that is setup to look at the big picture and solve Nebraska water problems. Combine this political structure with the worst drought in Nebraska history along with Colorado's decision to pump the river dry, allow only the water required by Compact to cross the border, and Nebraska begins to see water problems. Yet, Nebraska is a very rich water state. This proposal is an alternative to the plans that see the only solution as eliminating irrigated production.

This proposal addresses four of the highest profile water issues in the state and helps solve them through a redistribution of water rather than shutting down irrigation, jobs, and communities.

- Lake McConaughy levels
- Platte River Flows
- Chase County Aquifer Decline
- Colorado/Kansas/Nebraska Republican River Settlement

Moving natural resources from places of excess to places of need happens on a large scale throughout the world. Making these transfers in an environmentally friendly and economically prudent way is key to creating long term sustainability and having the support of the community at large.

The Ogallala Aquifer is vast. It is located under 8 different states. However, Nebraska has the great fortune of sitting on about 67% of this water. There is enough water in the Nebraska portion of the Ogallala to supply all of the imigation wells in the Republican River Basin for more than 3,000 years. Current state policy makes 98% of this water inaccessible.

Choices

Nebraska has three choices regarding water:

- Continue current practices that perpetuate existing issues Large scale aquifer pumping, diversions from the river and negative effects on the streams and rivers of the State.
- 2. Shut down irrigation and abandon 98% of the water in an attempt to preserve the surface streams and rivers but at the cost of injuring the region's economy.
- 3. Move water from areas of surplus to areas of need.

People who value the ecology of streams and rivers and people who are concerned about the declines in the aquifer find choice #1 to be unacceptable. As streams go dry and reservoirs contain far less water than they used to, the attitude of the majority of people find choice #1 unworkable. Laws have been passed and policies have been created that attempt to enforce a water policy of "sustainability." Many imigators do not think it possible that this shift away from imigation will happen because imigation is too important to the State and to the nation. Even so, most of the policy makers have decided it is better to change current water use policies by limiting use.

The alternative receiving the most attention is the idea of taking large amounts of irrigated ground out of irrigated production. Those that find choice #1 unacceptable usually advocate choice #2. However, choice #2 has some serious problems. The economy of the region is dependent on access to water. Deny access to water, and the existing economy is damaged. Small amounts of irrigated land are now being retired. It is usually acres owned by those who are tired of farming or those who are afraid of the future who allow their land to be retired. But, it is politically difficult to expand these programs to the extent that the "conservationists" desire. As the retirement programs are expanded, resistance increases. Water policy is determined by elected officials. It is the public who relies on the water that will choose who the water policy makers are. The pocketbook of the electorate will determine water policy, and it is unlikely that water users will collectively agree to sacrifice their economic livelihood for the benefit of a future generation — no matter how noble that act might be. While some argue that a new economy will come into existence, the political and social ramifications of shutting down irrigation will make this choice very difficult to achieve.

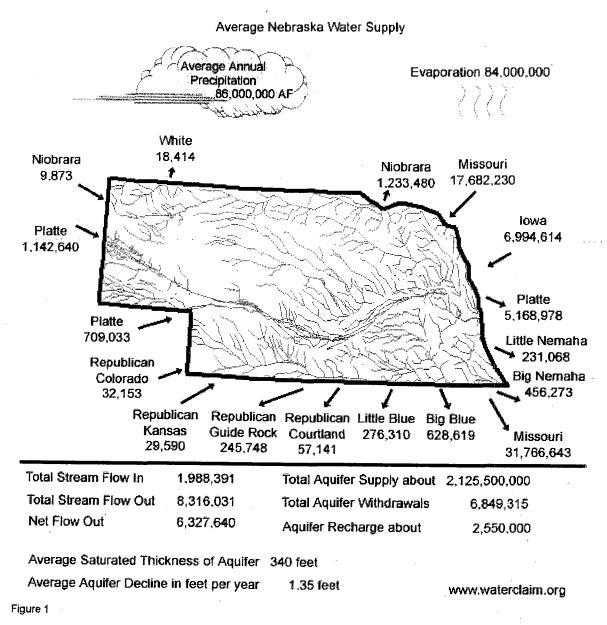
As choices #1 and #2 are both unacceptable to different groups, choice #3 becomes the only option where both sides can agree to meet. World population continues to grow (within another 25 years, about 1 billion more people will be on the planet), and demand for crops made possible by irrigation continues to increase. These demands cannot be ignored. In spite of the desire to preserve a natural state, the increase in the number of humans will override this concern. A way must be found to provide the required water while protecting the surface ecology.

Choice #3 is a pragmatic choice that provides the water required while protecting the surface ecology of the State. The only thing stopping choice #3 is the will of the people. It is both affordable and technically doable. It is simply a question about which option we, as a people, will choose.

Nebraska is a water rich state

Surface Water

Approximately 2 million acre feet of surface water enters the state each year. About 8 million acre feet of surface water leave the state each year. Therefore, Nebraska contributes about 6 million acre feet of water to the rivers leaving the state. This is much more water than the shortages caused by the combination of our worst-ever drought, Colorado's aggressive diversions from the river, and all of the aquifer draw downs caused by irrigation. If Nebraska were to take the same approach to water that Colorado does, Nebraska would have a flooding problem rather than limited area water shortages. See Figure 1



Aquifer Water

The Ogallala aquifer under Garden County contains about 163,000,000 acre feet of accessible water. This is under the assumption that the specific yield for the area is 15%. The specific yield number is suspect, as shown by the actual withdrawals from the Chase County area over the last 60 years. However, for the purposes of this proposal, we will use the USGS number of 15%. If one assumes that the top 150 feet of saturated thickness has more affect on the surface ecology and that only the water below this depth can be accessed due to low permeability sandstone, then there would still be about 135,000,000 acre feet of water that could be accessed with limited affect on the surface ecology. Withdrawing 500,000 acre feet a year, with no precipitation recharge

considered, would permit about 270 years of withdrawals if one limited themselves to this one small portion of the aquifer. About 15% of this transfer would be from one area of the aquifer to another area of the same aquifer.

If Nebraska chose to recapture this water before it left the state, as Colorado does, then there would be enough water to provide for the state's needs for nearly an indefinite period of time.

Water Source to satisfy Nebraska's Needs

While there are many different hydrologists and each has a different opinion of how the aquifer works, many will agree that Figure 2 is a fair representation for much of the aquifer that lies under Nebraska.

If there are low permeable layers separating different depths of the aquifer, and one places a well into the aquifer and places the intake screen in the deeper section, the well can remove water from the lower portion of the aquifer without lowering the lake level at the surface. In fact, in such a scenario, the lake level will rise because the water is placed on the surface much faster than seepage will recharge the aquifer. To assure that the lake level is not affected, the water can be placed directly into the lake.

Increase in lake level due to pumping from a disconnected aquifer. The return rate to the aquifer is determined by the permeability of the layers dividing the different sections of the aquifer.

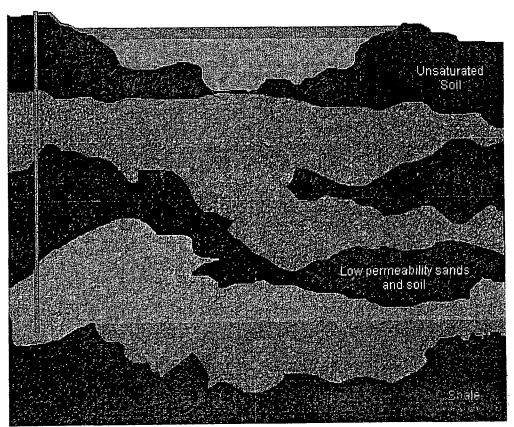


Figure 2

Core samples from one area of the aquifer shows that such layered conditions are common. USGS studies show that water may move down through some parts of the aquifer at a rate of several feet a year while other soil types are less permeable and, hence, water moves much slower. These low permeable sands and sandstones act as a membrane that restricts the movement of water.

It is important to protect the ecology of the surface lakes. If well water is pumped directly into the lake, the lake level will rise. It is possible to protect the lake level by putting in an adjustable level gate that prohibits the lake level from increasing over a desired level and then moving the overflow water into a division. If one wishes to simulate a lower lake level, as is natural during the summer, the adjustable gate can be set at a lower level, diverting more water and maintaining a natural lake condition.

The quantity of water diverted is determined by the pumping rate of the well and the seepage back into the aquifer. By putting the water directly into the lake, it is possible to protect the lake and assure that the ecology of the surface is protected.

There are two other ecological concerns when placing large quantities of aquifer water into surface lakes. One is the temperature of the aquifer water. The other is the chemistry of the aquifer water. Some of the area lakes have a much higher salinity level than the aquifer water. Lakes on the southern edge of the Sandhills tend to have a low salinity, while lakes in the center of the Sandhills tend to be much higher in salinity.

Today, much of the Sandhill aquifer is full. It cannot hold more water. When it rains, there is no aquifer storage space available, as the soil is already saturated. Much of this precipitation evaporates. It is possible to manage the aquifer to capture much of this waste.

Through careful placement of wells, it is possible to remove large quantities of water from the aquifer with acceptable effects on the surface ecology. Water levels can be maintained and a variety of salinity levels supported in area lakes. A constant supply of cold water for some lakes can be positive because a trout industry can be supported, creating a new economy for the area.

This is not to say there will be no effect. Any time one disturbs the natural condition, there will be an effect. However, the effect can be measured and when compared to alternatives, this effect is preferable to dry streams or devastated economies.

See

- Alley, W.M., and Leake, S.A., 2004, The journey from safe yield to sustainability: Ground Water, v. 42, no. 1, p. 12-16.
- Bredehoeft, J.D., 2002, The water budget myth revisited: why hydrogeologists model: Ground Water, v. 40, no. 4, p. 340-345.
- Kendy, E., 2003, The false promise of sustainable pumping rates: Ground Water, v. 41, no. 1, p. 2-4.
- Sophocleous, M., 2000, From safe yield to sustainable development of water resources the Kansas experience: Journal of Hydrology, v. 235, p. 27-43.

The Proposal

Place 550 wells, each pumping 1,000 a minute for 200 days each year. This assumes a 90% efficiency, meaning that 10% of the water removed from the aquifer seeps back into the aquifer. This produces 450,000 acre feet of divertible water each year. The wells are spaced on either side of 100 miles of collection canals and lakes. This dispersion of collection wells protects the aquifer and the surface ecology.

Lined canals and adjustable level overflow lake gates allow the water to be carried to a point just north of the North Platte River valley. Here, the water is transferred into large pipes. One siphons the water across the North Platte River. The other carries water directly to the North Platte River and generates electricity to help power the source wells.

Lined canals and another siphon across the South Platte River provide water to the Frenchman Valley Creek in Chase County where the water is released into the Republican River Basin for the purpose of aquifer recharge and satisfying the Kansas Republican River Basin Settlement requirements.

Water Budget

500,000 AF Pumped from aquifer

50,000 AF Seepage back into the source aquifer

310,000 AF 69% Transferred into the Platte River above Lake McConaughy

160,000 AF CNPPID or any Platte River NRD to reduce over-allocation status

150,000 AF Nebraska Game and Parks for habitat and wildlife benefit

140,000 AF 31% Transferred into the Republican River Basin

125,000 AF Nebraska Republican River Basin for recharge and Settlement

15,000 AF Colorado Republican River Basin for Settlement

That is 500,000 AF pumped and 450,000 AF transferred, with 310,000 AF going to the Platte River Basin for the purpose of relieving the over-allocation status of various Platte River NRDs, to help the ecology of the Platte River and to increase the Lake McConaughy level. Then, 140,000 AF is transferred to the Republican River Basin for the purpose of recharging the aquifer and satisfying the Kansas/Nebraska/Colorado Republican River Basin Settlement. About 50,000 AF is required by the Settlement. However, all 140,000 AF helps recharge the aquifer while at the same time satisfying the Kansas requirements. The Colorado portion of the Republican River Basin needs approximately 15,000 AF. The reason for providing water on Colorado's behalf is the financial benefit to the proposal and the benefit to Nebraska received by placing the water where the aquifer recharge is most needed.

The amount of water Nebraska shorted Kansas in the Republican River Settlement in the driest year in recorded history was 36,000 acre feet. Colorado shorted Kansas about 12,000 AF, both for a total of 48,000 AF. This quantity will fluctuate with the precipitation and something called the Lag Effect. The Lag Effect will continue to grow and require additional water each year to satisfy the Settlement Agreement with Kansas.

To compensate for this Lag Effect, Nebraska and Colorado have two choices. Either shut down irrigation wells or import water. The proposed transfer meets the needs of the Settlement Agreement for the next 100 years.

The water allocated for the Nebraska Game and Parks is placed in a water bank as an environmental account. This account works similarly to how the Federal Energy Regulatory Commission operates an environmental account for the benefit of threatened and endangered species.

Since the hydroelectric systems and Lake McConaughy are owned by Central Nebraska Public Power and Irrigation District, any water stored in an environmental account will need to be done with the consent and cooperation of CNPPID. Compensation can be provided to CNPPID by providing some of the water to CNPPID for distribution to their system

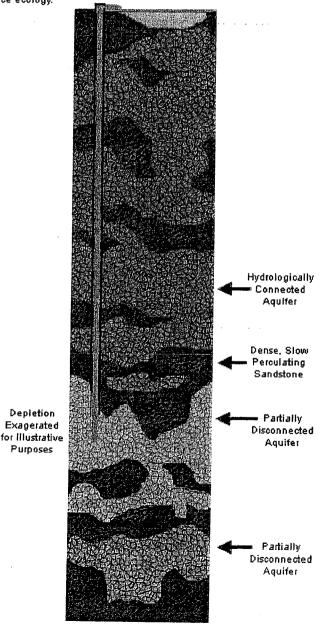
See http://www.platteriver.org/actions/govern/envacct-Q&A.htm

Illustration showing how water can be removed from the aquifer while having minimal impact on the surface ecology.

Purposes

Figure 2

Figure 2 shows the same information as Figure 1 but on a different scale.



The Water Transfer

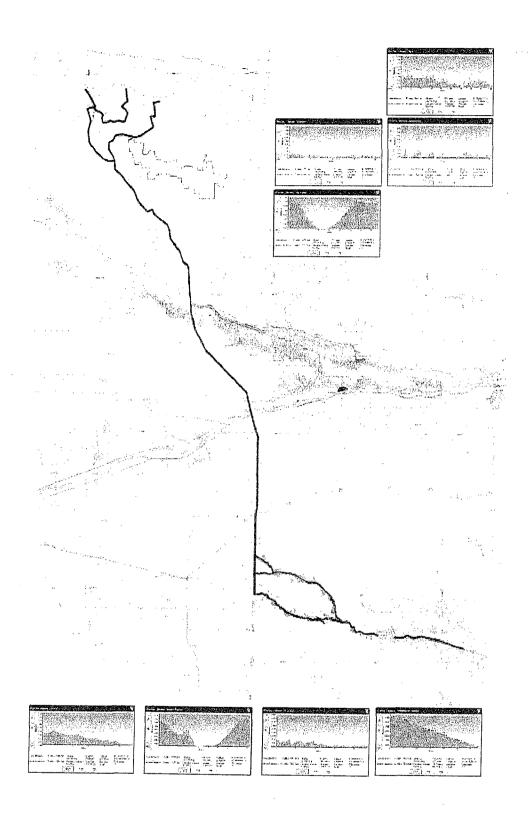
The map shown here is an overview of the region. The canals and pipes have not been engineered. The exact location is subject to change based on the results of a feasibility study. This is especially true for the collection canals at the north end of the map. However, the information provided here shows where water could be sourced, a route that could be used and enough information for a rough budget to be drafted.

- The route is downhill the entire way. The south side of the siphons are lower than the north sides. The only power requirements are to remove water from the aquifer at the source location.
- The dark blue portions show lined canals -- approximately 100 miles, with the
 majority of this being in the collection area to minimize the impact on the ecology
 and aquifer of the collection area.
- Dark red portions show pipelines required to siphon water across the two Platte Rivers or to deliver water to the North Platte without erosion problems.
 Seventeen (17) miles of pipe is needed to cross the North Platte and nine (9) miles of pipe to cross the South Platte.
- The light blue areas show water release areas.
- The thin red line shows the boundaries of the Crescent Lake National Wildlife Refuge.

Augmentation ponds would be created along the path of the released water. This will not only create wildlife habitat but also increase aquifer recharge. The release path in the Republican River contains known sinks that move large quantities of water from the surface to the aquifer quickly.

A much more detailed view of the map is available online at www.waterclaim.org.

All source water is within the Platte River Basin. There is no effect on the Loup or Niobrara Basins.



The Costs

One-time costs:

- Land acquisition or annual lease from landowners for access to the water under their ground.
- Large capacity wells drilled, cased, powered, and moved to the lakes.
- Lined canal construction and lake level controls.
- Siphons and delivery pipes.
- Transfer stations from canal to pipe and back.
- Recharge easements.
- Creation of augmentation ponds.
- Professional fees
 - Feasibility study and modeling
 - Engineering
 - Legal and accounting
 - Project management

Recurring Costs:

- Annual lease from landowners for access to water under their ground.
- o Source pumping costs.
- o Maintenance and Repair.
- Project management.

In Nebraska, the water under the land is owned by the people. However, if the people decide to go on someone's property and remove some of that underground water, most will agree that the landowner should be compensated. The cost of this project is largely affected by how this compensation to the landowner is structured. If the land is purchased by the state at just above market value and the landowner given perpetual rights to continue to graze cattle on the land, the costs will largely be in the one-time cost category. This cost is then amortized over a number of years and is a lesser overall cost to the people than the next option.

If the landowner retains ownership of the land and the people pay the landowner an annual fee for the right to remove the people's water, then there are few one-time costs and, instead, the recurring costs increase.

This proposal operates on the assumption that the landowner is compensated up front but is allowed to continue to run cattle on the property. (All of the source area land is rangeland) This gives the landowner continued access to the land's primary use while permitting the people access to their water. It also gives the landowner a large cash windfall.

Under this assumption, one-time costs are approximately \$265,000,000. Annual recurring costs are approximately \$13,000,000. These costs use top dollar estimates for building canals, siphons, wells, and top dollar for the purchase of land.

About 50% of the annual costs are note payments on the one-time costs.

How the project is paid for:

50% of the one-time costs paid by the federal government.

50% of the one-time costs paid by the direct beneficiaries of the water.

100% of the recurring costs paid by the direct beneficiaries of the water.

The following payment schedule will raise sufficient revenue to meet obligations and maintain a substantial contingency account:

\$25 per acre foot for NRDs

\$25 per acre foot for recreational and habitat maintenance

\$200 per acre foot for non-Nebraska beneficiaries.

Why should we do this?

One only has to look at the alternatives to see the reasons why this project should happen. If this project does not happen, then Nebraska will:

- 1. Continue to see low reservoir levels, declining aquifers, insufficient water for habitat maintenance, and legal battles.
- 2. A continued reduction in irrigated acres or a reduction in crop yields due to restricted irrigation, and a resulting economic loss for the State and exodus of the rural areas.

The cost of building this transfer and maintaining it on an annual basis is far less than doing nothing or shutting down large amounts of irrigation.

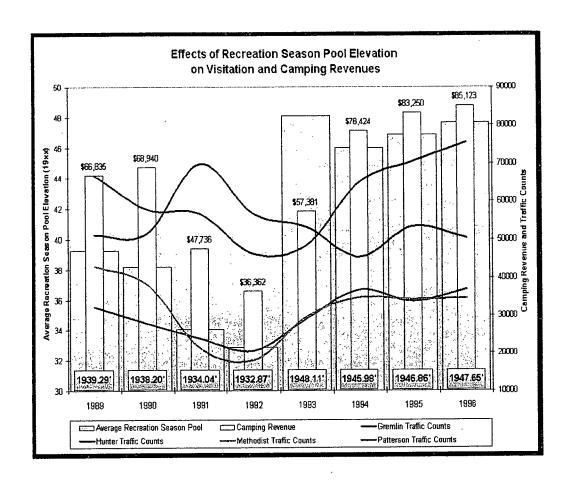
Benefits

Lake McConaughy – Depending on the arrangement made with CNPPID, it should be possible to raise the lake level and maintain it at the active level. Lake McConaughy has a storage capacity of 1,800,000 acre feet. This proposal calls for about 375,000 acre feet to be placed into the Platte River above Lake McConaughy each year. Assuming accounting procedures can be worked out between Nebraska Game and Parks, CNPPID, the DNR, and the various NRDs along the Platte River, much of this water can be held in the lake until times of high precipitation.

Relief for Over-Appropriated Platte River NRDs – All NRDs west of Elm Creek on the Platte River have been designated as over-appropriated. The amount of water being removed from the river must be reduced. Ground water pumping is now considered hydrologically connected. This proposal sets aside 150,000 acre feet of water each year that can be "purchased" by the NRDs to help address their needs.

Habitat Maintenance – Because of the significant increase in the volume of water in the Platte and Republican River, wildlife will benefit. As a significant portion of the transfer is specifically for the habitat, timing and placement of the water can be better managed.

Recreation – The Bureau of Reclamation has conducted studies that show the number of visitors to lakes is directly proportional to the quantity of water in the lake. If the lake is full, the number of people enjoying the lake and spending money in the surrounding towns increases dramatically.



Republican River Settlement – Combine imported water and a moratorium on new wells and limits on how much water can be removed from the aquifer within the basin and Nebraska will easily satisfy the requirements of the Republican River Settlement Agreement with Kansas. This will allow the economy of southwest and south central Nebraska to remain viable and will permit people to have confidence in the future and, hence, want to continue to live in the area.

Aquifer Recharge – One of the areas with the greatest aquifer declines in the State is in the western half of Chase County in southwest Nebraska. Releasing water into this area and building augmentation ponds or playas to permit the transfer to the aquifer will help alleviate one of the area's greatest concems. The aquifer can be recharged while, at the same time, complying with the Kansas Settlement Agreement. This is a sufficient amount of water to stabilize the URNRD aquifer.

Colorado – The requirements for Colorado to comply with the Kansas Settlement Agreement are even more devastating to their economy than what happens to Nebraska if irrigation retirement is the method used to comply. Even though their volume of water is not great, the percentage of their economy is greater. Colorado has already placed a \$5.50 per irrigated acre tax on their land. Use of this revenue for this project would satisfy the Colorado requirements and provide much needed financial revenue for the project.

Lag Effect – The Lag Effect is the delayed effect ground water pumping has on the stream. While the State has refused to release details on the Lag, we estimate it at about 1% per year. That means the area would have to reduce water usage by about

1% each year for many years in order to comply with the Kansas Settlement Agreement. The importation of water compensates for this ever-increasing demand.

Republican River Reservoirs – Under this proposal, water imported into the Republican River will arrive first at Enders Reservoir. Storage capacity of Enders is about 20,000 acre feet. The next reservoir that will benefit is Harlan County Reservoir. In this plan, 75,000 acre feet is imported. Some of this water will recharge the aquifer, some will flow to the reservoirs.

Economy – Most of the economy of the area is dependent on irrigation. If irrigated land is retired, then the economy changes. Investments are lost, people move away, and schools suffer. If water is imported, then the investments that have been made over the last 60 years continue to benefit the people. People will move to the area because there are more jobs and more recreational opportunities. Schools grow instead of close because there are more people here. The new augmentation ponds create new recreational and wildlife opportunities and, hence, new jobs.

Caveats

Money – It costs about \$250,000,000 to build the project, and it costs about \$12,000,000 a year to operate for the first 40 years. Once the project is paid off, the recurring costs drop to about \$6,000,000 a year in 2005 dollars. However, this cost is well within the ability of the people to pay. The cost is much less than shutting down irrigation.

"It isn't natural" – There are some who do not believe man should make any changes to what nature does on its own. The only thing that will satisfy this group is to reduce the number of humans on the planet. This project does not address this group's desires. This project does change how things work. It moves water from an area of surplus to areas of need.

Source Aquifer – Removing water from the Sandhills aquifer will decrease the amount of water in Garden County. While the core samples support the idea that removing water from lower levels will have minimal impact on the surface, there is no way to know if this is true until it is tried. If the top 150 has a high level of hydrologic connectivity, then there will be more seepage and the system will be less efficient than what is assumed here. That would increase the recurring costs, as the wells would have to pump longer each year or the number of wells would need to be increased to compensate.

Parties to this Agreement

The details of the water distribution must be agreed to by most of the following parties:

- Department of Natural Resources
- North Platte Natural Resource District
- o Central Nebraska Public Power and Irrigation District
- The Army Corp of Engineers
- The Bureau of Reclamation
- Nebraska Game and Parks
- The South Platte, Twin Platte, and Central Platte NRDs

- o The Upper, Middle and Lower Republican Natural Resource Districts
- Well Field Land Owners

The Agreement must incorporate the following elements to be acceptable to all parties:

- Protect the rights of the landowners in Garden County
- Comply with all existing agreements between various users of water captured in Lake McConaughy, Enders Reservoir and Harlan County Reservoir.
- Allow a sufficient quantity of basin-transferred water to be unconsumed by Nebraska to always remain in compliance with the Settlement.
- Agreement from each of the parties to supply their agreed-upon financial contribution to the project.

Benefits to stakeholders

Farmers:

Groundwater Users

- Continued access to sufficient water to raise a crop and make a living.
- Elimination of water short year restrictions that would severely damage the financial viability of many farms.
- o An increase in the water table for land below the reservoirs. This helps replenish the aquifer.

Surface Users

 Increased canal flows, meaning the farmers have an increased ability to raise a crop and meet their financial obligations.

Businesses:

- Ag supply businesses now have a stable customer base. By maintaining
 the number of irrigated acres and the availability of water, demand for
 inputs and grain movement should remain strong. This means the
 businesses supplying these resources retain their employees and
 continue to contribute to the community.
- Businesses around the reservoirs thrive. As we are able to maintain the
 reservoir levels at their optimum recreational level, the number of people
 using the lakes jumps, as indicated in the study done by the Bureau of
 Reclamation (Technical Report For the Draft Environmental Impact Statement
 Republican River Basin Nebraska and Kansas Long-Term Water Supply). This
 allows new and existing businesses to cater to this increase in customers.

Central Nebraska Public Power and Irrigation District:

 Compensation, in the form of water, for storage rights in Lake McConaughy permits CNPPID to deliver water to its clients.

NRDs:

Platte River NRDs – Setting policies that take land out of irrigated production is never easy. Being able to access affordable water will help reduce the social and political impact. While it is still prudent to control new development, the imported water will reduce the need to reverse existing uses.

The Republican NRDs – Are fully appropriated but are being asked by the State to make cuts in water usage. The University of Nebraska estimates these cuts will cost the area more than \$100 million dollars a year. By importing water, we allow the NRDs to avoid water short year reductions and to make much more acceptable changes in water allocations.

While ground water must still be managed, these plans can now be created outside a world of fear and panic. Time can be taken to create policies that protect the environment and the economy at the same time.

Specifically, the NRDs benefit from:

- Aquifer Recharge
- No additional acreage retirement programs are necessary.
- A lower tax than alternative plans.
- Water available for business development.
- An increase in community activity, rather than a decrease.

State of Nebraska:

The State of Nebraska is the greatest beneficiary from this plan. The financial obligations it has as it complies with the new water policies are substantial. We estimate the cost to the State is at least \$18,000,000 per year in direct costs, plus the loss of income and sales taxes generated by the retirement of 150,000 acres of farmland. This is on top of the costs paid by the Federal Government.

Even if the State manages to transfer the direct costs to the people of western Nebraska, it will still lose thousands of jobs and millions in sales and income taxes, if land is retired. Then, as the rural areas are depopulated, the State itself suffers. Yields on about two million acres are reduced. Because any reduction in yield has a direct effect on the net income of the farm, income and sales tax loss from the basin will be significant. The UNL study done by Ray Supalla for the Republican River Basin indicates this will be more than \$100,000,000 in lost economic activity per year. The State does not get a cut of any transactions that do not exist. To our knowledge, no economic study has been done for the

Platter River Basin that takes into consideration the new water polices that are being planned.

However, by participating in this transfer of water, all of these costs are avoided.

The prime benefits to the State are economic and social. Not only does the State avoid huge annual costs, but it also helps provide the essential ingredient to the survival of an entire region of the state.

Specifically, the State benefits via:

- o Relief from a much greater financial obligation to buy out acres.
- Relief from the political fallout caused by forcing parts of the state to assume the obligation of the State.
- o Relief from Kansas Lawsuits.
- o Increased Hunting, Fishing, Recreation.
- o Increased Business Activity.
- o Increased Tax Revenue.
- o Decreased State Aid Needs.
- o Increased Use of Water Resources within Nebraska.
- o Employ more people during project construction.
- Continued employment of the people who would have left due to the loss of access to sufficient water.

Game and Parks:

This plan provides:

- Increased stream flows in the Platte River beginning near Lewellen, above Lake McConaughy
- Increased stream flows in the Frenchman Valley Creek, in Chase County beginning at the Colorado/Nebraska state line, in Chase County.
- New stream flows and lakes on the Sand Draw in Chase County beginning at the Colorado/Nebraska state line, in Chase County.
- Increased lake levels in Enders and Harlan County reservoirs in the Republican River Basin.
- Increase in recreational opportunities, thus more visitors and greater revenue from sales to those visitors.

Bureau of Reclamation:

The increase in the water supply in Enders and Harlan County Reservoirs helps the Bureau provide water to its customers. The viability of its customers is of great benefit to the Bureau.

Federal: Department of the Interior

- A national model for how to manage an abundant resource that emphasizes protection of the environment while sustaining the economy of the community.
- A much greater habitat and wildlife benefit for the same dollars or less than other plans.

Well Field Landowners:

- Above market rate financial compensation for the land.
- Continued access to the land.

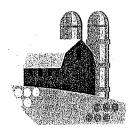
This plan addresses most of the water issues in the State. It solves these issues in a way that is friendly to the economy and the ecology of the region. The proposal is affordable, creates jobs, and is much more productive than plans that take irrigated land out of production.



First I will say thank you for serving on the NRD Board. We all know that it is not an easy job. But next I want to say that the NRD Board is elected to make the best choices for our farmers and our communities. You are our local control with all the tools needed to implement these choices. Your allegiance is to us and not to outsiders who do not have a stake in our part of the state...It will not effect them or their families...My husband & I have been blessed with four children, who after college, have returned to the farm which is what they love most and to raise their families in a safe rural environment. This is what I would like to see for others, but this won't happen if the water is cut back any further. So we need your assurance that if the lack of rain continues in the future years, you will not keep cutting us back, but will make it your priority to explore other avenues such as the removal of water sucking vegetation that grows in and along the rivers, and most importantly, water transfer. We need to be inventive and to think "outside the box" so to speak.

I can tell you if you think the Kansas Pact is our only problem you are wrong. Water Claim has had representatives attending different water meetings around the state, and there are people involved in these that won't be satisfied until they totally shut down irrigation in Dundy, Perkins, & Chase. They feel the water is best used for recreation. So what I am saying is if we are not to be bullied and I do mean bullied out of our water, we all need to join together, NRD's, farmers, merchants, and community members to make the best choices for us in Southwest Nebraska, and to stand firm and united for our voice to be heard all over the state. Farmers are notorious for thinking things can't happen and that someone else will take care of our problems...it ain't so people...we have to do it ourselves.

One last thing...I know there are people among us who are saying that you can raise 180 bushel corn on 6" of irrigation water a year..The charts I have found on ET or Crop Water use say 6 inches, considered limited irrigation, will get you 135 bushels of corn and that 13.8 inches, considered full irrigation, will yield you 178.0 Maybe some of you just read the chart wrong...But in this day & age with the high price of seed, fertilizer, fuel, electricity and low corn prices you need a 200 bushel average to survive. 135 bushels just won't do it.



American Agriculture



April 28, 2005

URNRD:

I would like make sure that you have all taken into serious consideration the irrigation farmer that is in the middle of a 20yr debt commitment that originated on the premise of stable water availability. I would also suggest consideration be given to the irrigation farmer that is through their debt. Consider the contributions to the development of the communities in this district, because of the stewardship of the irrigation farmer.

The current IMP does nothing to define the limits to which the DNR can lower allocation in water short years. I don't believe that you as a board have effectively done your job in protecting the people you represent. By signing the current IMP you are compromising the entire economic structure of your community especially in water short years. State Law requires that you consider the economic impact prior to completing the IMP. If the communities you represent really matter to you, why have you not completed an economic study prior to completing this IMP? I must ask, Is it really worth selling your community short, to please and bring ease to the State in its effort to resolve the problems concerning the Compact Settlement Agreement. The water rich state of Nebraska allows so much water to be wasted by simply allowing it to flow out of the state; it could easily fix the compact problems by redirecting a small portion of the water wasted. Furthermore, Nebraska has been blessed with the largest most plentiful portions of the largest aquifer in North ^merica. Why would you as my NRD, allow the state to persuade you to compromise the people and the businesses in your district water, when in fact the state has excess water and is wasting water?

I would also like to ask what benefit are you to the community by conducting most of your IMP discussions behind closed doors. Many people in this room have spent decades developing their financial livelihood around irrigated agriculture. The men & women in this district are the only people in Nebraska to follow regulations & live by allocations for the last 30 yrs. Stewards of Water, Stewards of the Land, & Community Developers, define an irrigation farmer from the URNRD. What have they done to deserve to be left in the dark in the drafting of such an important document concerning their livelihood as they know it?

Rule 16. ADDITIONAL CONSIDERATIONS

16.01

The Board shall authorize the exploration of alternative means of supplying additional water to the Republican River Basin and, if warranted, any necessary research, investigation, or other activities necessary to pursue alternatives determined by the Board to be plausible, efficient, and feasible.

Areas of such additional supply to be investigated include, but are not limited to:

16.01.01

Fransbasin diversions and transport of water from sources outside the Republican River

Basin for the benefit of the District; and

I wish to beg of the board at this time "When Shall you Authorize the Exploration of Alternative Means of Supply"? As you are about to sign a blank check, I am asking, at what point will it be "Warranted" to start any research, investigation, or other activities necessary to pursue alternatives. Furthermore, I wish to raise the question, what would the board find to be "Plausible, Efficient, and "easible" in a water transfer plan? WaterClaim has drafted several different plans concerning solutions via water transfer. These ans have bent the ears & raised the eye brows of many from outside of our district as potential + + solutions to various state water issues. Why is it that this NRD, being physically the closest of all NRD"s to the WaterClaim organization, made no attempt to research extensively the potential benefits WaterClaim concepts & proposals offer the people that live in the URNRD.

If you will listen to the uppity ups from Lincoln more so than your constituents, I believe that you have misinterpreted your position. Furthermore, you are a disservice to the "Entire State of Nebraska" by shunning an organization in your district that is designing the most influential & beneficial water concepts in the recent history of the State. The resources and the voice that you have in Lincoln could very much be being used to help push for a + + solution to our Water Situation in the URNRD and also + + solutions in other areas of our state. However, it appears as though cutting allocation & relying on the retirement of acres is the attitude set by this IMP. There is no immediate call to be Pro-Active in this IMP. You have poised the "Attitude" that "Reduction" is ok for the communities in your district.

The attitude set forth in this IMP has no backbone & offers no assurances of any kind to the people of this district. I suggest that you draft a new IMP that leaves allocations at 14.5 inches per year in the URNRD. I ask that you place explicit language defining that no additional corrections will be assumed by the URNRD concerning compact issues until every exhaustive measure has been taken by the state to find ways of utilizing unused water resources or capturing excess water leaving the state to fulfill such "State" obligations. By all means maintaining carry forward and pooling is one good thing in the current IMP, but they should be defined as non negotiable items that have no threat of ever being taken away from producers. Many have worked hard to earn their carry forward and have played by the rules in doing so.

Any future IMP modifications must be approved by the DNR. This is the "ONE" opportunity to set a higher standard. If you realize later that you have made a major mistake and your communities are being severely compromised economically, you may wish to modify the non expiring IMP. Any changes you may wish to make may be vetoed at that time by the DNR.

Before you put your name on this IMP please remember this picture. 3 consecutive water short years. You offered to do what ever it takes to help the State comply with the Compact Agreement. Carry Forward has been lost because it wasn't protected & allocations we been reduced to nine inches. If you decide at that time it is "Warranted" to research and investigate alternative means of supplying water to the region, you can rest assured that the economic damage will have already be done by the time you get such provisions in place.

I pray that the open minded & forward thinking members on this board stand strong against the board members that are quick to sign this IMP. Being afraid of the State or having a personal agenda has nothing to do with being a true statesman of the people. Bettering your community, your state, and your country is the Attitude of a true statesman. Please make our IMP have this attitude! It will bring much respect and growth to our region if you do so!

Respectfully

Steven Grams

Written testimony submitted by Steve Smith regarding the IMP April 29, 2005

Something on the lighter side.

"An appeaser is one who feeds crocodiles, hoping it would eat him last." Winston Churchill

"To sit back hoping that someday, some way, someone will make things right is to go on feeding the crocodile, hoping he will eat you last -- but eat you he will." Ronald Reagan

To give the DNR an inch today hoping that future cuts will come from other NRDs is like feeding a crocodile and hoping the brute will eat you last.

