



220 Center Ave.
PO Box 81
Curtis, NE 69025

Phone: 800 -873-5613
Fax: 308 -367 -4285
Email: kgall@mrnrd.org

Middle Republican Natural Resources District

June 14, 2006
For Immediate Release

Public Supports Water Allocation for Economic Development

Curtis – Economic development and the transfer of water were the focus of the Middle Republican NRD’s public hearing on June 13. The hearing was held in order to receive testimony from the public with regard to proposed amendments to the rules and regulations for the Ground Water Management Area for the Middle Republican Natural Resources District.

Rule 5-3.3 proposes that new industrial uses shall be granted a consumptive use allocation of 80.65 acre-feet per year. Both Curtis Heapy of the Medicine Valley Economic Development Corporation (EDC) and Tom Baker of Trenton testified against this proposed change. Heapy said that the EDC has been targeting the Ethanol industry, which generally requires 500gpm wells. Thus far, there has been significant interest from developers, which could be a major economic boost for the area, but Heapy worried that the allocation may discourage the development of these plants in this area. These plants could assist with providing funds at the State level if the need arises to write a check to Kansas for non-compliance. “These ethanol plants are going to be built someplace. I would hate to see them go elsewhere due to the lack of water.”

Tom Baker and Marty Schurr suggested that the industrial use be determined on a case-by-case basis through the variance process. Baker said he would hate to see this new limit hurt the economic development for this area. Dan Nelsen was also concerned that the allocation might be a barrier to new industry, adding that with the number acres being taken out of

production, people are going to be looking for the kind of work this industry can provide. He does not want the District stopping industrial development and the creation of more jobs in the area.

The district has been criticized in the past for not having a specific allocation for industrial uses indicated in the rules and regulations. Director Joe Anderjaska (Hayes Center) said, “We came up with an allocation [of 80.65 acre-feet, annually] in response to that criticism. Maybe that number is too low.”

Tara Hosick, of Medicine Valley Economic Development Corporation, said that groups that look at proposed sites in our area make decisions quickly. Hosick said having a specific guideline is a good thing, as industries like to have all the information on the table; however, an allocation that is too limiting will simply turn them away.

During their regular board meeting, the NRD Board designated a committee to meet with local Economic Development personnel to discuss the water needs of the particular industries being targeted for our area, with the goal of determining an agreeable amount for industrial wells.

Testimony was also received on water transfers. William Barger spoke, opposing Rule 5-2.11, whereby the District may deny or condition a request for transfer based upon the capacity to pump the water from the site of transferee’s withdrawal. In this proposed amendment to the rule, transferees must be able to demonstrate that they can pump the base allocation per acre in 49 days. The conditional approval would allow for a lesser amount to be transferred based upon the capacity to pump the transferred amount under the standard above. Barger thinks that the 49 days used in this rule is not realistic. Marty Schurr echoed this sentiment, saying, “If someone has certified acres and are paying taxes on it, they should be allowed to transfer the water.”

Public comment was also received on Rule 4-8, regarding Incentive Programs. The proposed change states that unless permitted by the rules and regulations established by individual incentive programs, no certified acres may be enrolled in incentive programs or special

initiatives sponsored by or funded by the District if such certified acres do not have a history of use in four (4) of the previous six (6) years. The district incentive programs may provide for the temporary or permanent retirement of certified ground water irrigated acres. Mike Delka, District Manager for Bostwick Irrigation District, commended the Board on their progressive water management policy. Delka said he would like the district to take additional measures consider proof of 12 years of irrigation for incentive programs. Marty Schurr expressed concern about using tax dollars to take irrigated acres out of production. Schurr asked the board to consider using incentive programs for the purpose of reducing usage rather than retiring acres.

Chairman Gayle Haag (Bartley) asked the board to wait a month to take action on the rules so they had an opportunity to review the testimony. According to Nebraska law, the board has 90 days to take action on the hearing. The board plans to vote on revisions to the Groundwater Management Area Rules and Revisions at the July board meeting in McCook. Any revisions to rules and regulations for the Ground Water Management Area will not change the allocations that are set through the 2007 crop year.

The current Ground Water Management Area Rules and Regulations were adopted by the Middle Republican NRD Board of Directors on November 9, 2004 and became effective January 1, 2005. The purpose of this management area is to protect ground water quantity and to prevent or resolve conflicts between users of ground water and appropriators of surface water, which ground water and surface water are hydrologically connected, through implementation of the goals and objectives identified in the Integrated Management Plan.

The board approved a variance request made by Baker Corporation. Tom Baker and Ralph Scott, plant manager for the ethanol plant in Trenton, reviewed the request. The ethanol plant in Trenton plans to double in capacity. This \$38,000,000 expansion, which would increase employees from 32 to 45, will require additional water. The plant would like a variance to drill a new 500 gpm industrial well. Baker reviewed the process required to transfer water from the other wells to this well. Any such transfer would also have to be approved by the Nebraska Department of Natural Resources (DNR).

George Seward filed a transfer request for a permanent transfer of water in order to develop 260 acres for two pivots. Transfer requests were also received from Don Jacob and Jerry Barger to Lincoln Farms in Lincoln County. All transfer requests were approved.

In regular business, directors reviewed the first draft of the NRD's proposed FY2006-2007 budget. As discussed in the proposed amendments to Ground Water Management Area rules and regulations, the district is considering an additional tax levy of 1 cent. Many board members expressed hesitation regarding raising taxes in the district. Baker expressed concern that if the Directors do not implement this additional taxing authority, the authority will be taken away. Baker claimed that, although raising taxes was the last thing he wanted to do to himself, the Senators from urban Nebraska are going to expect the Districts to contribute money to support water issues. The district budget hearing will likely take place in September.

District Conservationist Doug Whisenhunt reported that NRCS is still in a hiring freeze. Negotiations are underway between the NRCS and the NRD to keep the technician in McCook. Some additional CRP funds may be available, but would require an NRD match. Whisenhunt handed out reports showing EQIP funds. Approximately \$400,000 of leftover funding may be available for tree removal in the riverbed.

Assistant Manager Bob Merrigan reported that chemigation inspections are ongoing. Tree planting has been completed for the year. Merrigan visited a number of the tree planting sites. He said that the sites look good, but trees not watered after they were planted are dead.

The board made a decision to terminate the meter contract with Tri City Meters.

District attorney Jon Schroeder of Curtis updated directors on the progress of current legal proceedings in executive session.

The next regular meeting will be on July 11 at 8:00 p.m. at the Red Willow County Fairgrounds Community Building in McCook, Nebraska.

Full text of the meeting minutes, kept current, is available during regular business hours at the NRD office in Curtis or on the web at www.mrnrd.org.

#####

For more information contact: Kara Gall
Information and Education Coordinator