

## Upper Republican NRD closes on land purchase

Written by Wauneta Breeze  
Friday, 08 April 2011 16:40 -

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*\$5 million loan covers balance of sale*

**By Russ Pankonin**

### **The Imperial Republican**

Four thousand acres in southwest Dundy County now belongs to the Upper Republican Natural Resources District. The district closed on the \$10 million sale Tuesday morning. On Monday, board members held a special meeting to approve a resolution authorizing the district to borrow \$5 million for the purchase.

The money was borrowed from Pinnacle Bank in Imperial on a five-year note at a rate of 5.2 percent, fixed for the term of the loan.

The formal resolution came as part of the loan requirements as this marks the first time an NRD in the state has purchased land for its own augmentation project.

The loan receipts will be combined with \$5 million collected by the district through occupation taxes on irrigated acres to pay for the purchase. Nearly \$2 million remains in the occupation tax fund.

Manager Jasper Fanning was authorized by the board to sign loan and closing documents.

When asked why the annual payment of \$415,804.23 is less than needed to pay the note off in five years, Fanning said the payment was structured to be able to make a payment if the land had to be rented for some reason.

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He anticipated the board would pay off the loan before the five-year term expires.

Fanning noted the board will have to hold a special budget hearing to readjust the budget to account for the loan revenue and the expenditure for the land.

He noted the purchase won't have any effect on property taxes this year.

### **Engineering work to start**

Fanning said engineering work on the augmentation project would likely begin this week. Miller & Associates of Kearney are designing the project.

Fanning said the engineers will be shooting elevations on the property to help determine routing for the pipeline to carry water to Rock Creek and then into the Republican River.

From initial estimates, the property is capable of producing about 10,000 acre feet of water that can be put into the river for compact compliance with Kansas.

The 4,000-acre tract includes 3,261.6 acres of certified irrigated land that will be used for augmentation purposes.

The tract will be rented back to the previous owner for the 2011 crop season. After that, all crop irrigation will be suspended, with the exception of watering needed to establish native grass stands under the pivots.