Land purchase carries

$83 million price tag

By Russ Pankonin

The Imperial Republican

Action in the last week by the Upper Republican Natural Resources District and three other NRDs in the region is already being referred to as “ground breaking” and “historic.”

On Friday, the URNRD board authorized Manager Jasper Fanning to complete negotiations to buy more than 19,000 acres owned by Lincoln Farm, LLC at a price of $83 million.

The land, located in southwest Lincoln County, will be used to launch the largest stream flow augmentation pro-ject ever in Nebraska.

While the URNRD is purchasing the land, it is doing so on behalf of itself and three other NRDs joining together in the project.

The other NRDs include the Middle and Lower Republican NRDs, located in the Republican River Basin and the Twin Platte NRD, located in the Platte River Basin.

The four have joined together in an interlocal agreement to form the Nebraska Cooperative Republican Platte Enhancement Project (N-CORPE). Each NRD will have a one-fourth share in the project.

Water for compliance

By retiring the 15,874 irrigated acres on the tract, N-CORPE will generate a savings of about 45,000 acre feet (AF) per year.

This water could be used to help both the Republican and Platte River Basins remain in compliance with specific agreements in their respective basins.

The Republican Basin must remain in compliance with the 2002 compact settlement with Kansas.

The Platte Basin is required to meet obligations in the Platte River Recovery Implementation Program and bring groundwater pumping back to 1997 levels.

The URNRD has also launched its own augmentation project in southwest Dundy County, known as the Rock Creek project. This project will produce 10,000 AF of water for compliance, with the capacity for another 5,000 AF.

With water from these two projects, Fanning believes farmers in the Republican Basin will be

protected from compliance issues for many years to come.

Fanning said these projects “should offer a high level of long-term protection to farmers against sudden and severe irrigation curtailments.”

The water from the two projects would more than meet the worst compliance shortfall experienced in the Republican Basin, which occurred in 2005.

During a period of drought, the Republican basin fell 42,000 AF short that year of complying with the compact settlement with Kansas.

Fanning said the two pro-jects combined would more than meet the shortfall of such magnitude.

Less expensive option

Purchasing and retiring irrigated land represents a more cost-effective method to meet compliance issues, Fanning said, especially when compared to leasing surface water.

Fanning said producing water for both river basins would cost between $300-500 per AF. Leasing surface water can cost between $2,000-3,000 per AF.

Permanently retiring irrigated ground runs about $3,000 per AF of water gained, he noted. However, this type of retirement puts water in the stream over time while an augmentation project can time releases to meet needs.

Fanning said N-CORPE estimates the occupation tax to cover the cost of the property, along improvements and operating costs, at between $4-6 per acre per year over the next 20 years. He estimated $100 million in bonds would be needed to cover all costs.

The URNRD is currently collecting the maximum of $10 per acre this year to pay for the Rock Creek project. With the addition of the new project, it's possible they could refinance the Rock Creek project to spread its cost out over more years.

N-CORPE is working with several banks in Nebraska to provide the interim financing needed to close the sale by the end of November.

N-CORPE will then issue bonds, project as 20-year bonds, to pay off the interim loan. Occupation taxes in each district would be used to retire their share of the bonds.

Pipelines to deliver water

Of the irrigated acres, approximately 10,400 acres rests within the bounds of the Middle Republican NRD, headquartered in Curtis, with another 5,360 acres in the Twin Platte NRD, which is headquartered in North Platte.

Pipelines will be used to deliver water to the respective river basins when needed. Possible pipeline lengths will vary depending on routes, but it is possible that approximately 17 miles of pipeline will be needed to transport water to both rivers.

Water for the Republican Basin could be transported via a pipeline into a tributary, such as Medicine Creek

Project already being hailed

“Historic. Unprecedented.”

That’s how Dean Edson, executive director of the Nebraska Association of Resources described the new project.

Such a project of this magnitude would probably not have been realistic a few years ago, he noted.

“The proposal addresses the most serious water availability issues facing the region. I applaud the leadership of local NRD boards and staff for seeing the potential for stream enhancement in both the Platte and Republican Basins and making the idea a reality,” he said.

“This is a long term solution that will benefit each and every Nebraskan no matter where they live.”

Brian Dunnigan, director of the Nebraska Department of Natural Resources, praised the project as well.

“Cooperative, proactive efforts among NRDs present the state with the best opportunity to comply with interstate water agreements, and this pro-ject exemplifies those efforts,” he said.

“The state is committed to complying with these agreements and sustainably managing natural resources, and this project meets both of those objectives,” Dunnigan added.