Integrated Management Plan Stakeholders Meeting
Twin Platte Natural Resources District
September 19, 2005

Stakeholders present: Phil Armstrong, Don Colvin, Burdette Cooley, Jim Goeke, Jim Hawks, John Kilpatrick, Steve Krajewski, Marion Kroeker, Tina Kurtz, Frank Kwapnioski, Jim Meismer, Dudley Oltmans, Robert Petersen, Page Peterson, Dennis Schilz, Kenneth Schilz, Jerry Steinke, Doug Teaford, Steve Van Boening, Joe Wahlgren, Jerry Weaver, Mike Wheeler, Robert Wiseman.
Stakeholders absent: Lisa Dominisse, Todd Kramer, Roric Paulman, Mike Svoboda.
Resource People: Jim Cannia, Ann Dimmitt, Kent Miller

The Stakeholders Meeting was called to order at 6:30 p.m. CDT.

Educational Presentation:
Economic Development – Ken Schilz **(President, Keith County Economic Development Corp.)**

Agriculture, business/industry and recreation form the economic base of Keith County. All three require water. Those involved in economic development efforts recognize that the three are interrelated, so development must not negatively impact what is already happening. Leaders are continually looking for creative ways to grow the economy including innovative farming practices and value added industry.

Water goes where the money is. As a district we must decide what kind of balance we want between competing water needs and figure out how to move water around to the best use. We need to understand the impacts of moving that water to new uses and provide monetary incentives to keep people whole in the process.

Educational Presentation:
Municipalities – Steve Krajewski **(City Manager, City of Ogallala)**

The total population of Twin Platte Natural Resources District (TPNRD) is 43,097 with a fourth of this population in rural areas and the balance in municipalities. Of 3060 total wells, 98.5% are rural wells with only 47 wells used by 8 municipalities. Total water pumped dropped from 491 million meters in 2000 to 361 million in 2004 due, in part, to increased rates. Consumptive use is considerably less than water pumped. Water pumped per capita declined from 264 gallons a day to 194 gallons over the same 4 years with consumptive use about half the total amount pumped. Most consumptive use water is returned to the sewer system for treatment and reuse. Municipal water use is considerably lower per acre than agricultural use except in the cases of heavy industrial users, which are not currently found in Keith County. Ogallala recently detected e-coli in the water and citizens were required to boil water for a time. Better testing methods and lower acceptable limits have led to more stringent water quality requirements than in previous years.

Educational Presentation:
Municipalities – Jim Hawks **(City Administrator, City of North Platte)**

The City of North Platte projects what quantity and quality of water will be required in the next 50 years for municipal and new economic development needs. Currently the City is siting a well field in a remote location outside the 28-40 line recognizing the impact of this major use of water on hydrologically connected waters. The City is also required to put in a new water treatment plant, which will eliminate the current lagoons. The new enclosed facility would allow an additional 2.3 billion gallons of water to return to the river (approximately 6.3 million gallons per day) due to reduced evaporation.

The cost of this new well field and anticipated infrastructure needs to meet requirements for future development and water quality will necessitate a substantial increase in water rates.

Educational Presentation:

Economic Development – Marion Kroeker (Executive Director, Keith Co. Chamber of Commerce)

Businesses seeking to develop in this region typically send proposals to area economic development entities asking cities to respond to lengthy questionnaires. Water related questions include: gallons/minute, recycled usage, consumption rate, available utilities, psi, water quality and pressure for fire protection. Examples of water requirements for different types of development:

- Ethanol Plant (dry mill operation with 40 million gallon production): Usage is 500-1000 gallons per minute with some recycled usage. Unknown consumptive rates.
- Typical Distribution Center: Domestic usage = 360,000 gallons per month. Fire usage = Two 300,000 gallon tanks, 2,000 gallons per minute, 150 psi. Wastewater = 360,000 gallons per mon.
- Housing Development: In 2000, a property developer approached the City of Ogallala with a proposal for a master planned resort on Lake McConaughy including 1700 homes, golf courses, trails, conference center, community complex, RV park, marina, boat storage and equestrian complex. This would be built on 1438 acres over a 20 year period. Infrastructure requirements include: 7.5 miles of roads; utilities (electric, gas, phone, cable), a water line from the City's well field to the project. Water requirements: 120 million gallons per year for residential/commercial areas, 267 million gallons per year for golf courses, total of 367 mgy. 960,000 gallons residential and commercial fire protection. The developer has contracted to purchase water from the City starting with 400,000 gallons/day in year 1 and gradually expanding to 1,200,000 gallons/day when the project is fully developed. This would double the city's water usage. The City has already purchased or plans to spend over $1 million to buy enough land to secure the needed water rights for the proposed development.

Aqua-nomics: The economic return of water when it is used as a component of a product and its influence on agricultural, recreational and urban centers.

Questions for all speakers

1. Water is a component of ag and industrial products so how do you assess who actually consumes the water? For example, is water used for electric production the generator's consumption or should it be allocated to end users of the electricity? The line between ag and municipal, urban and rural water uses is difficult to distinguish. The emphasis should be on consumption vs. use. The level of pumping is not a valid measure of demand. Water pumping has decreased but consumption remains stable.

2. Recreation is important to the economy. How does it get factored in? What about keeping a minimum pool level in Lake McConaughy – allow the same usage but keep a higher minimum level in the lake? A UNL study of the Platte Valley and Lake McConaughy surveyed visitors and Lake business owners to evaluate the impact of the Lake on the economy. There is increased interest in evaluating the impact of recreation on the economy and water needs. The problem with keeping a minimum pool level is how to pay for it with no electric or irrigation money to fund it. Most of the water in the lake goes to Gerald Gentleman power plant and farms/businesses east of Lexington.

3. Were farmers hurt by reduced water allocations the past year? How can we increase allocations? Water allocation this year was 6.7 inches rather than the 13 inches users are entitled to. Farmers moved water to other acres to allow a full 13 inches on some acres and planted alternative or no crops on low water acres. Early rain this year was helpful and the allocation for next year is anticipated to increase to 8.4 inches. The quantity of water that can be allocated is impacted by other forces outside our control including Denver area development that reduces water in the South Platte River, continued conversion from gravity irrigati*on to pivot an*d Compact provisions that require Wyoming to hold water.

4. If farmers convert irrigated land to dry land won't this lower property values and negatively impact property tax income for schools and communities? It depends on what else happens in this district. If water for irrigated farmland worth $200,000 is diverted to a house on the lake worth $300,000 then the impact on property taxes is neutral.

Stakeholder Discussion – Goals

At the last meeting a discussion about goals was begun. Statutes require stakeholder groups to establish goals for the "purpose of sustaining a balance between water uses and waters supplies so that economic viability, social and environmental health, safety and welfare of the river basin, sub basin or reach can be achieved and maintained for both the near term and the long term."

Initial brainstorming at that meeting uncovered some priorities for this region. To better understand the unique needs and characteristics of this district, the group was asked to share their accumulated experience. Timelines for the past 3 decades were posted on the wall. Stakeholders wrote in key events that occurred in their own life/operation, the economy, water law, economic development or world happenings. The group was divided into three small groups to review one decade of the time line and summarize what happened during that time period.

1975-1985

It was the best of times and the worst of times. Big Mac almost washed out. NRDs were formed. The Endangered Species Act was passed. In 1975, more irrigation wells were drilled and profits in agriculture were the highest in history. The economic boom continued into 1982 with construction of Gerald Gentleman 1 and 2. By 1983, energy shortages, inflation and interest rates soaring to 21% led to the Ag Crisis. Societal consciousness was raised with concerns about over- development and studies were initiated to evaluate the impact of ground water development. Tina was born, Frank moved to North Platte, Elvis died.

1985-1995

The ag sector recovered, returning to profitability. There was substantial moisture in the basin. District and basin water negotiations began. The Persian Gulf War was televised. Bill Gates was a major factor in the information technology boom. NPPD and CPPID negotiated with FERC the entire decade in an attempt to secure re-licensing. The CRP program was launched in the 1986 Farm Bill. A Nebraska-Wyoming lawsuit led to changes in water law to meet interstate water agreements. The Huskers were good throughout the decade and Tom Osborne gained name recognition and popularity. On February 12, 1990 (Valentine's Day Massacre), FERC mandated the release of 91,000 af of water from Lake McConaughy to enhance whooping crane habitat in the Platte. ESA's overbearing reach was seen in a proliferation of environmental regulations. The courts set up the Nebraska Water Users board. Nebraska became a low level nuclear site. OJ's car chase launched reality TV.

1995-2005

McConaughy was a good fishery in 1995. Corn was selling for $5.00 / bushel. The first integrated water law (LB108) was passed in 1996. Nebraska was introduced to the Endangered Species Act in 1997 when the Cooperative Agreement was signed and Nebraska was mandated to come up with 130,000 af/year of water for endangered species. DNR and DWR merged in 2000 and Roger Patterson became the Director. LB962 was passed to encourage proactive steps to develop a plan between ground and surface water and established designations and determinations of overappropriated and fully appropriated rivers. TPNRD temporarily suspended development of new wells inside the 28-40 line. It was the best of times and worst of times:

Best:	Worst:
1997 Huskers won the Title	2004 Huskers record was 5 and 6
1999 McConaughy was full	2004 Big Mac at an all time low
Dow peaked	Big drops in the market with 9-11 attack
$50 hogs	$8 hogs
Good moisture up to 2000	2002 had lowest recorded precipitation

Summary Discussion:

Historically each decade has brought challenges and opportunities. Weather conditions, lake levels, commodity prices and the economy have hit lows and highs and will continue to be variable in future. The last 30 years have seen an increased awareness of environmental issues, which now play a prominent role in development decisions. NRDs were created to provide local control of ground water development. Improved computer capabilities allow NRDs to make better decisions using sophisticated

models and projections. But there is also a danger that undue reliance on these models may overreach the technology. As the people in this district have become more aware about surface water and ground water issues they are better understanding the complexity of water issues. Quality of life issues are importance and need to be preserved in future water-related decisions. The people of Nebraska have weathered formidable challenges in the past decades proving their resilience and ability to adapt to changing situations. The diversity of the stakeholder group is a plus as we move forward on this project because we will be able to access a variety of perspectives and ideas. The goal will be to incorporate the combined experience and knowledge of these stakeholders into recommendations that everyone can support.

Future Meetings

Upcoming Stakeholders Meetings:

Monday, October 17 at the Holiday Inn Express in North Platte from 6:30 to 9:30 p.m. CDT.
Speakers will be Sharon Whitmore (US Fish and Wildlife Service) and Frank Albrecht (Nebraska Game and Parks Commission) discussing Environmental / Habitat Needs in the Platte River Basin.

Monday, November 21 at the Holiday Inn Express in North Platte from 6:30 to 9:39 p.m. CDT
Speakers will be Bruce Dodson (Agri Affiliates) and Roric Paulman (Producer and President of West Central Nebraska Water Users Coalition) discussing Agricultural Needs in the Platte River Basin.

The group will also continue discussions to define goals, objectives and recommendations for the TPNRD integrated management plan.

The meeting was adjourned at 9:30 p.m. CDT.