ORIGINAL

BEFORE THE NEBRASKA DEPARTMENT OF ENVIRONMENTAL QUALITY

In the Matter of a Public Hearing Regarding the Preliminary Determination that the Lower Platte River Basin is Fully Appropriated	TRANSCRIPT VOLUME I of I Pages 1 through 41 Exhibits 1-8

Nebraska State Office Building
301 Centennial Mall South
Lower Level "A"
Lincoln, NE

Convened, pursuant to notice, at 1:45 p.m., on February 24, 2009,

BEFORE:

RON THEIS, Hearing Officer.

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State of Nebraska
Department of
Natural Resources
Filed in the Department of
Natural Resources at 4:37
O'clock P M. this 3rd
day of March 20 09
L. Gower

I N D E X

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EXHIBITS:		Marked	Offered	Ruled On	Found
3	Written Testimony of U.S. Fish and Wildlife Service (2 pages)	11	11	--	Appendix
4	Final Report: The *Economic Impact on* Agriculture of Declaring the Lower Platte River Basin Fully Appropriated by David Rosenbaum (51 pages)	13	13	--	Appendix
5	Written Testimony of *Glen Johnson* (2 pages)	39	39	--	Appendix
6	Written Testimony of Scott Uecker (1 page)	40	40	--	Appendix
7	Written Testimony of U.S. Fish and Wildlife Service as received by DNR on 2-23-09 (2 pages)	40	40	--	Appendix
8	Written Testimony of Mary Bomberger Brown (2 pages)	41	41	--	Appendix

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REPORTER'S CERTIFICATE:

State of Nebraska)
) ss.
County of Lancaster)

I, WENDY C. CUTTING, reporter for GENERAL REPORTING SERVICE, certify that I reported the proceedings in this matter; that the transcript of testimony is a true, accurate and complete extension of the recording made of those proceedings; that the transcript consists of:

Volume I -- Pages 1 through 41, and Exhibits 1 through 8; and further, that the disposition of said exhibits is referenced in the index hereto.

IN TESTIMONY WHEREOF, I have hereunto set my hand at Lincoln, Nebraska, this 2nd day of March, 2009.

Wendy C. Cutting
Reporter

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PROCEEDINGS:

THE HEARING OFFICER: Good afternoon, it's February 24th, 2008 -- or 2009, sorry. It's a quarter to two in the afternoon. We're located in Room A in the basement of the State Office Building. My name is Ron Theis. I'm Legal Counsel for the Department of Natural Resources, and I'll be the hearing officer for this hearing.

Please tell me if my voice is not projecting. We're not amplified here and I want everybody to hear me. Just raise your hand and wave, if you can't hear what I'm saying. Or, as a matter of fact, for those who are going to testify, they're not amplified either, but they will be recorded for the record.

With me today are Brian Dunnigan, Director of the Department of Natural Resources. Brian, would you stand? You met Jesse Bradley, the Integrated Water Management Analyst. And I noticed we have Senator Chris Langemeier, the Chair of the Natural Resources Committee of the Legislature. We have, I think, a number of natural resources district managers in the room. Would you like to stand and be recognized, managers? People might not recognize you.

MR. JOHNSON: Glenn Johnson with Lower Platte South.

MR. KOEHLMOOS: I'm Butch Koehlmoos with the Lower

Loup NRD out of Ord.

MR. MIYOSHI: John Miyoshi with the Lower Platte North NRD out of Wahoo.

THE HEARING OFFICER: Thank you. And Wendy Cutting is the court reporter who will be making a verbatim record of this hearing.

If you haven't done so already, please turn off your cell phone ringers for the duration of this hearing.

The purpose of this hearing is to take testimony on the Department's previously released preliminary determination that the Lower Platte River Basin is fully appropriated. It was issued December 26, 2008, pursuant to Nebraska Revised Statute 46-713. The preliminary determination was a result of the Department's annual evaluation of expected availability of hydrologically connected water supplies in accordance with the Nebraska Groundwater Management and Protection Act, generally referred to as the Annual Report. It was published December 16, 2008, on the Department's website, which is www.dnr.ne.gov.

For the record, in the context here, the Department will be holding other similar hearings in Fremont and Ord, and we previously held a hearing in Norfolk, Nebraska. The Fremont and Ord hearings are at later dates on the same matter. After the hearing today and the other

hearings on this preliminary determination and an examination of the testimony and all relevant evidence, the Department will make a determination whether the Platte River Basin upstream of the confluence with the Missouri River, including all tributary drainages and the groundwater aquifers considered to be hydrologically connected to that portion of the Platte River Basin will be designated as fully appropriated. The authorities for these hearings and the decisions are set out in Nebraska Revised Statute 46-748.

This is a public hearing. It's not an evidentiary hearing. It's simply to gather information from the public. Those testifying will not be required to be sworn in. We will also accept written testimony regarding the preliminary determination and they may be submitted to the court reporter at this hearing or may be mailed to the Department. They will be accepted by the Department for inclusion into the record if they're received by the close of business Friday, March 13, 2009, and you state that you want it on the record.

We have a sign-up sheet for those people who wish to testify. It's located at this table here. Everyone who's testifying, we want you to be on the record, and we use this microphone to get you on the record. These chairs here, if we could reserve those, like for an on-deck

position so that we can go as quickly as possible. You don't have to sign up in advance, but you can sign up as you come to the podium to testify.

At this point, I'd like to submit for the record, a copy of the Notice of the Preliminary Determination to be marked as Exhibit 1.

(Exhibit 1 was marked for identification.)

I'd also like to submit the Proof of Publication pursuant to Nebraska Revised Statute 84-907, stating the publication of the Department of Natural Resources public hearing notice for this hearing occurred on three consecutive weeks in newspapers of statewide circulation and in newspapers of circulation within the basins. The newspapers are The Ord Quiz, The Norfolk Daily News, The Fremont Tribune, and The Lincoln Journal Star. And the bundle of proofs of publication will be identified as Exhibit No. 2.

(Exhibit 2 was marked for identification.)

And both of those exhibits are received into the record.

(Exhibits 1 and 2 were received in evidence. See Index.)

I want to note for the record, the Department's report for 2009, called the Annual Evaluation of the Availability of Hydrologically Connected Water Supplies, as

published on the Department's website, this is the material on the subject of this hearing, which the Department will refer to in part in making any final determination.

Before beginning the testimony, I'd like to explain how I want to proceed. In order to provide some organization and focus to the overall testimony, I'd like to ask each person wishing to testify to decide whether you're a proponent of the preliminary determination, that is, you're for it; an opponent of the preliminary determination, that is, you're against it; or that you're neutral. We'd like to go in a certain order. Proponents would go first, opponents second, and then neutral testimony.

Could I have a show of hands of those people who are wishing to testify, please, just so that we can -- I'm seeing approximately a dozen. I don't see any need to limit the length of testimony. My hope, however, is that the average testimony will be about five minutes. If you're here with a group of persons, I'd like for you to organize yourselves so that you can delegate one spokesperson, and we'll have everyone who is being spoken for to stand for recognition.

So, at this point, we'd like to begin with the proponents. All persons willing to testify in favor, would you come forward to this part of the room? And if you're

not signed up -- would you take a seat, then?

When you come forward, would you please state your name and spell it for the court reporter, and then tell who, if anybody, you're representing if you're representing someone other than yourself. And if you want to present an exhibit for the record, please identify it and leave it -- hand it to me and I'll give it to the court reporter. I'd ask that everyone please speak into the microphone, because you're being recorded.

Ma'am, would you like to begin?

JUNE DeWEESE

MS. DeWEESE: Yes. My name is June DeWeese. I'm the Field Supervisor of Nebraska for the U.S. Fish and Wildlife Service. My interest here today is in support of the designation, because we have habitat -- there is habitat in the Lower Platte River that supports federally endangered species, namely the pallid sturgeon, the least tern, and the piping plover. We believe that this designation will enhance the conservation of these species, and therefore, we support the action. We also think that it will complement the effort that the State of Nebraska, Wyoming, and Colorado are engaging in to recover these three species, as well as the whooping crane in the actions known as the Platte River Recovery Implementation Program.

And I have some extensive written testimony that I

will leave you today. Thank you very much.

(Exhibit 3 was marked for identification.)

THE HEARING OFFICER: Thank you, June.

Are there any other proponents?

(No response.)

If not, we'll begin with opponents. Would you come forward, please? If you'll use the on-deck area, make sure you've signed in. Go ahead, sir.

DON FRICKE

MR. FRICKE: My name is Don Fricke, F-r-i-c-k-e, a resident of Lincoln, 7800 Pioneer Boulevard. Okay, go ahead?

THE HEARING OFFICER: Yes, please.

MR. FRICKE: I'm certainly concerned that the quality and quantity of water in Nebraska be maintained, but I think we should expect evidence that the water table is being lowered or the river flow is dropping. All of the water in the Loup River Basin originates in Nebraska, as opposed to the Platte, Republican, Niobrara, and Missouri Rivers, which originate beyond the borders of Nebraska. The water in the Loup River Basin is collected, stored, and then sent on down the rivers or Ogallala Aquifer by the farmers and ranchers of the area.

The aquifer in Blaine County is higher now than in 1976, 15.14 feet versus 14.64 feet. This is according to

the Upper Loup NRD, October '08. This is again after several years of drought in the area.

The Middle Loup River at Dunning, this is according to the United States Geological Survey, was flowing at a rate of 4,660 cubic feet per second in 1946. In 1976, it was flowing at a rate of 4,689 cubic feet per second, and in 2006, it was flowing at a rate of 5,481 cubic feet per second. Again, the last year being after several years of drought.

In 2007, the Dismal River near Thedford was flowing at 105 percent of the long-term average, the Loup River near Genoa was flowing at 108 percent of the long-term average, and the North Loup at Taylor was 110 percent. Again, all this is after several years of drought.

If we are to maintain the economic health of Nebraska, the farmers and ranchers must be allowed to make use of their resources to expand their operations and continue to compete in the world market. Without access to water, we will also stifle businesses who depend on agriculture and ranching in the state.

If this were black gold instead of white gold flowing in our rivers, I'm sure there would be a different approach to conserving our resources and not sending them to New Orleans and the Gulf of Mexico. Thank you.

THE HEARING OFFICER: Thank you, Don.

Next opponent, please.

DAVID ROSENBAUM

MR. ROSENBAUM: My name is David Rosenbaum, R-o-s-e-n-b-a-u-m. I'm an economist and I'm here -- I was retained by the center pivot industry to do an economic analysis of the impacts of the declaration on agriculture in Nebraska.

(Exhibit 4 was marked for identification.)

And declaring the basin fully appropriated will have a variety of effects on the Nebraska economy. The impact will be significant on pivot manufacturers, well drillers, and farm equipment dealers. They can expect to lose about $23 million annually from the declaration. And they can expect to lose at least 100 part-time and full-time jobs. Those are just direct impacts on those sectors of the economy. As those effects multiply through to the tires and steel and all of the other parts that they buy, it's more like an impact of $36 million per year and over 215 full- and part-time jobs lost in Nebraska. Most of these losses will be felt in small towns throughout the basin.

Farming will also feel the effect of the declaration. By not being able to convert dryland cropland to irrigated cropland, farm producers can expect to lose about $7 to $9 million in output and approximately 100 jobs the first year. That effect will be multiplied every year

as more and more acres are not converted from dryland to irrigated cropland.

There are potential economic gains from even delaying the declaration. If the declaration is delayed for even five years, it would allow irrigators and farmers to produce another quarter of a billion dollars' worth of output for the Nebraska economy and save about 731 jobs in the Nebraska economy.

It would also impact property taxes as converted land is more valuable and generates more property tax revenue. Over five years, the present discounted value of that would be close to $6 million. Over 20 years, the output effect is $1.2 billion to the Nebraska economy. We'd be talking about over 2,000 jobs, over $43 million in property tax revenues.

That's my statement.

THE HEARING OFFICER: Thank you. I have --

Please, no shows of approval or disapproval.

I have a question. You said that you were retained by the center pivot industry. Is that a trade association or a certain manufacturer, just to identify who you're representing?

MS. ROSENBAUM: I believe it's a group of center pivot manufacturers.

THE HEARING OFFICER: In Nebraska?

MR. ROSENBAUM: Yes.

THE HEARING OFFICER: And you presented a written report as well. We will enter that into the record. I just wanted to be clear that if the Department has a need, they can contact you for clarifying any of the material that you've presented?

MR. ROSENBAUM: Absolutely.

THE HEARING OFFICER: Thank you.

MR. ROSENBAUM: You're welcome.

THE HEARING OFFICER: Thank you, David.

Next opponent.

DON ADAMS

MR. ADAMS: Good afternoon. My name is Don Adams. I'm Executive Director of Nebraskans First, statewide coalition of groundwater irrigators dedicated to protecting Nebraska's groundwater for agriculture. We strongly oppose this fully appropriated determination by the DNR.

Back in 2003, when the Water Policy Task Force was developing what ultimately was to become LB962, there was a great concern among many, including our organization, that whatever proposed legislation the Task Force generated would be leveraged by the Department of Natural Resources to shut down all new groundwater irrigation development in the entire state. To quell these fears and to prevent a rush to drill new wells, the Task Force issued a press release in

September 2003, promising irrigators that a statewide moratorium on new well drilling was not going to happen and that control of groundwater would remain at the local level with the natural resources district. The World-Herald headline, dated September 23, 2003, says, "State Says No Ban Planned on New Wells."

We were assured that the Task Force proposal, LB962, would be used only in those areas of the state such as the Republican and Upper Platte where there was a water shortage problem. LB962 was to be used as a scalpel, not a chainsaw. With this DNR determination at issue today, it is clear to all that the promise made a little over five years ago by the Task Force has been broken. I hate to say we told you so, but we predicted this would happen and this was the reason we strongly opposed 962 at the time.

Let's briefly examine reality. Groundwater levels throughout the entire Loup, Elkhorn, and Lower Platte Basins are up, way up from spring '07 to spring '08. Taking a longer view, groundwater levels in the basins from pre-development, which is 1952, to spring 2008, are unchanged or up five to even 20 feet.

Now, looking at surface water levels, measurements at the Louisville gage, which is the definitive location for assessing what is happening in the Loup, Elkhorn, and Lower Platte Basins, reveal that flows in cubic feet per second

are the highest they've been in 10 years. Same goes for the North Bend gage. Stream flows everywhere in the Basin are up, at Pierce, Waterloo, Genoa, West Point, St. Paul, everywhere. Where, we ask, is the lag effect? The mass of these wells in the Basin were already drilled and pumping 25 years ago. Again, where's the lag effect? Stream flows for 2008 are at 10-year highs. The years 2002 to 2006 were bad ones, but we all know why, the drought. The same pattern and low flows can be found for the periods 1988 to 1992, 1975 to 1981, and 1954 to 1959, a time with very low stream flows when there was virtually no groundwater pumping whatsoever.

Reality and factual data show that there is absolutely no compelling reason whatever to shut down these basins to new development. There is no comparison to the situation here and what is happening and why restrictions are being imposed on groundwater irrigation in the Republican and Upper and Central Platte Basins. The DNR's analysis does not, for some reason, include 2008. We all agree the economy is suffering. State policy now should be keyed to saving jobs and encouraging new development wherever possible in order to sustain our State and local tax bases and economies. This fully appropriated determination, if made final, will essentially turn our groundwater into stone. Farmers who have invested in

irrigable land with the hope of some day putting in a well to irrigate their land will be hung out to dry. This devaluation of their property right is a serious matter and flies in the face of the correlative rights, share-and-share-alike doctrine that has been the law of Nebraska since the advent of groundwater irrigation. Governor Heineman recently said that he was going to fight to protect every job in this state, one job at a time. This DNR fully appropriated determination will surely hurt the economy here and cost jobs. No question about it. And for what compelling reason? Any such anti-job State program must only be imposed if the science and the facts warrant such a Draconian government intrusion into businesses and livelihoods of those to be harmed. The science, facts, and data must be rock solid and bulletproof before the State takes someone's job or water right away. We maintain that the DNR's case to shut down new groundwater development in the Loup, Elkhorn, and Lower Platte Basins is speculative, contrived, and fails the sound science test.

Finally, we've been at this for 15 years now. We've attended, appeared, and testified at countless state and federal government hearings in defense of the rights and freedoms of our agricultural producers who rely upon irrigation. Never, not once has any governmental agency taken any of the input provided by the public seriously.

Their hearings have been nothing more than statutorily required square-filling exercises. The DNR now has a golden opportunity, with a new Director, a new regime, to restore some credibility in State government and in the public hearing process. Show us you can be flexible, fair, and responsive by doing something never done before, that is, to re-evaluate, reconsider, and reverse this preliminary determination based on the irrefutable evidence that the Lower Platte River Basin is not now in nor headed for the water shortage problem that warrants taking jobs, stifling an already struggling economy, and infringing on the property and water rights that those in the Basin who are the producers in our economy. Thank you.

THE HEARING OFFICER: Thank you, Doug.

Next opponent.

TRACY McCONNELL

MR. McCONNELL: My name is Tracy McConnell from North Bend. It's T-r-a-c-y, M-c-C-o-n-n-e-l-l. I'm not near as fine a speaker as what Mr. Adams is, probably anybody else here today. I'm trying to figure out how we got to the preliminary status on the fully appropriated area. At the first meeting in Norfolk, the question and answer one, Jesse and another gentleman took us through the real simple path how they got to where we are. They filled out

just a simple flow chart and they took us all the way through and said, we're here, so we must be fully appropriated. And now we're having meetings to hear testimony after we've already scared everybody into pretty much thinking that we're going down that road. I just -- I don't understand. Are we just wasting our time here today and in Norfolk and in Fremont and in Ord by going to these meetings?

I guess, the State understands how to get where they want to go and, I guess, have it look like it's someone else's idea. Background, in 2004, there were a few meetings held to tell the farmers that the DNR was thinking of possibly, someday, looking at putting a stay on permitted wells. The next day, almost every farmer went in and got permits. I think it was sort of the idea that the State was hoping for. This year, the State went a little bit further and put a preliminary status on, and people are out trying to fight it and doing what they can. If the DNR does yield and say, well, we're not going to put a stay on, then the NRDs are going to be flooded with permits. Senator Langemeier has introduced a bill to allow a certain amount of new acres into production every year, so I guess the problem would be a little bit solved. The little winner would be the NRDs. They'd still be in charge, which would be a good thing. The big winner would be the DNR, because

they have effectively slowed to a crawl the number of acres that can go into production, and it will look like someone else did the job for them.

Trying to figure out on the acres inside the 10/50 line, on how they come up with all the acres or do a count on the acres. The NRDs have not certified any acres, DNR has not certified any acres. All's we can do is look at the website and look at registered wells and acres -- registered wells and surface water acres to see how many acres we have. I've got five here. Section 6 has a total of 600 acres irrigated. So, they're underneath the limit of 640 acres per section. Section 24, 19 North, 8 East, they have a total of 659.7 acres irrigated in that section, and what is real interesting, 255 acres are irrigated with non-hydrologically connected wells as they're sandstone wells. Section 5, again, it has 720 acres, according to the website. Section 4 has 694, 183 acres are, again, irrigated by sandstone wells that are over 200 foot deep. All these wells are in Dodge County. In Section 35, where they pump out of the Rawhide Creek, there is a total registered on line of 1,400.3 acres irrigated.

Now, did we use all these acres? We have 515.3 surface water acres and 885 groundwater acres. Are all of these surface water acres still irrigated? Have they been replaced and used by wells? In these five sections, we have

acres that are doubled up, both surface water and groundwater. And I guess I'd like to know if that is taken into consideration. We also have acres inside the 10/50 line that are not hydrologically connected to the rivers. Are those acres taken into consideration?

These are just a few acres out of the thousands and thousands of acres involved in the preliminary fully appropriated declaration. How many other acres are doubled up or are not hydrologically connected?

At the end of it all, it looks like the DNR or the State of Nebraska gave out too many surface water rights and they are trying to pass the buck. Wouldn't it be better to work with the NRDs and the surface water irrigators that are running short of water to use groundwater instead of surface water? NRDs cost-share flow meters, State agencies cost-share pivots, piping, and some pump work. Maybe they could cost-share a well. Only 10 percent of the water from the well comes from what would have gone down the river, compared to 100 percent of water from surface water.

I know we're not going to go back to the days of walking into the NRD and walking out with a permit, but I feel the NRDs have the best opportunity to understand and deal with unique situations in their regions. As a driller, I like my chances in front of the NRD Board applying for a variance, explaining that, yes, we're drilling by a river,

but we are bypassing the alluvial sand and gravel and drilling into the sandstone. The State doesn't have the manpower to check or the system in place to readily deal with these issues.

Also, seeing as the board members of the NRDs are elected, not appointed or hired. If people in their area don't like the board member's style or stances on issues, that member can be voted out.

To close, I'd like to ask one more question. When does the Department of Natural Resources expect to see a noticeable rise in the Republican River? Last year, the farmers used less than their allotment of water and still not enough water ran into Kansas. Are you sure this is going to help us with our possible problem in 25 years? Thank you.

THE HEARING OFFICER: Thank you, Tracy. Did you sign up?

MR. McCONNELL: Yes, I did.

THE HEARING OFFICER: Thank you.

Next opponent, please.

DOUG HALL

MR. HALL: My name is Doug Hall, D-o-u-g, H-a-l-l, farmer, northeast Nebraska. Comments, I guess, are -- the first comment that always hangs out there -- after attending the informational meeting at Norfolk, some of the key words

I have never had proof to me that they were actually something a guy could hang his hat on, and one is hydrologically connected. And that has been one of the main words that people have used all this time. The other thing that I had noticed at the Norfolk meeting was, it's the first time I heard that we possibly were not part of the Ogallala Aquifer.

And to give you just a little bit of background, we had heard that this was probably going to happen someday or at least try to happen for the last 15 years. I read it in the paper that possibly is going to make the decision by the end of the year, kind of forgot about it. That was on a Wednesday. By Friday afternoon, somebody had called me and said, "Hey, they're going to make their announcement of probably fully appropriated on December 16th, a Tuesday." I said, "Man, what can we do?" Well, like the first guy said or the last guy that testified said, you know, you can apply for a permit and hope they give you a variance, and I think at that time, the variance word wasn't even out yet, but they used a different word. And time was kind of at essence, so I applied for three permits, hand delivered them to the NRD office in O'Neill, because I didn't want to take my chances.

That sounds like maybe something that might be a little overkill, but that's how important it was to me,

because I have made some investments. Maybe some of those investments were investments my dad made a lot of years ago on ground that we thought someday we'd develop, maybe weren't quite ready to. But we were pretty sure that if this thing did hold as it was supposedly stated, we knew what the ground value would be if it wasn't irrigated as opposed to irrigated. So, that's what I did, and when I went up there, it was kind of amusing to me that some of the conversations with fellow farmers, with the help of technology now on the cell phones was, you know, a couple of those places that you irrigated two to three years ago, you put a well down, you put a system there, but the ground was in CRP on the other half of it, you may not be able to irrigate them. That got me pretty alarmed that I had possibly invested on two quarters, maybe 180,000 bucks and have my irrigated acres set as to what I'd done in 2008.

When I mentioned that to NRD people, they said, well, if you had land to trade, i.e., water rights to trade for this, you probably could irrigate it. And I said, "You know, it's kind of amusing that I had been informed that this may come down the line, and I had bought a couple pieces of property that I didn't ever intend to irrigate that probably would never be irrigated again, that did have a well on that was permitted." And the comment was, "You know, there's certain people that may not even let you

irrigate it even if you do have water to trade, because they don't believe in bringing out CRP into production again." Now, comments like that, as plain as I can say, sometimes make my blood boil pretty hot. I don't feel like there's anybody out there that can say, you can do this, you can do that, and not have any proof that I am screwing up the end stream flow at Louisville, Nebraska.

Two other real short stories, one of them is, my brother lives in Louisville, has for about the last 20 years. I called him this morning for a phone number of a guy that's on the NRD Board south of Omaha. They don't act like they know much about this, don't act like they care much about it, but they always mention Lincoln. The guy that's on the NRD Board mentioned Lincoln. He says, "I think it has something to do with Lincoln and the city water going to Lincoln." My brother called me back, left a message. I let a few people listen to it. He grew up with me, lived there for the first 25 years of his life. He didn't think this thing had anything to do with where we live -- where I live and where he used to live, didn't have any idea that somebody's trying to shut down irrigation. I really feel that irrigation in northeast Nebraska, maybe more bluntly Antelope County and Holt County, Nebraska, made that country. There's no other way around it. We're in the sand. Some people have ideas that that shouldn't be

irrigated, but that's what made that country. Before that, it was rye and corn.

The other story was, I had a guy looking for gravel yesterday on my place. Even a guy 20 miles away doesn't understand just what's going on on some of these basins. I had a digger truck. I dug in some holes so he could look for the top soil, the sand, the gravel. He didn't understand that probably 10 minutes after I dug that hole, that hole was going to be water within two foot of the top of the soil. We sat there, after about the fifth hole, and within 15 minutes, the water started coming in there.

It's tough for me to understand how you guys can shut this thing down when there's water that close to the ground where I live. Thanks.

THE HEARING OFFICER: Thank you, Doug.

Other opponents? Please use the on-deck chairs so that I've got a sense of how many more we have to testify.

Yes, sir.

JEFF TEMME

MR. TEMME: Thank you. My name is Jeff Temme, northeast Nebraska, Petersburg. And mine isn't quite as global, my comments --

THE HEARING OFFICER: Jeff, excuse me, would you spell your last name, please?

MR. TEMME: T-e-m-m-e. And just wanted to go on

record, and again, our situation isn't as global as some of these other testimonies, but simply, our neighbor came up November 15th, had to sell a farm to support his aunt, had the trust. We got the okay from the bank and they said, "Well, is it a dryland farm?" "Yes." So we got the loan on the condition we were going to irrigate it. So, we're kind of caught in the middle. And I do understand the NRDs are trying to be flexible, but I want to go on record that it puts someone like my wife and I in a pretty tough spot. We've got a very -- right now, a very expensive piece of dryland farm. That's all I got.

THE HEARING OFFICER: Thank you, Jeff. Jeff, did you sign?

MR. TEMME: Yes.

THE HEARING OFFICER: Any other opponents?

MR. TEMME: And I will put that in writing, too.

RICHARD HOPPE

MR. HOPPE: Richard Hoppe, Columbus, Nebraska. I'm an irrigation dealer and a farmer by Columbus. I've had several different comments about the study. One, I think it's wrong. I think the science you're using is sketchy at best. I think we've had more that one well driller, one farmer come up and say that the water tables are what they grew up with. Somewhere they got connected to all the water. Now, one of the interesting things in questioning

the man about the study was, we have over 200 irrigated farmers we're protecting with this law. Now, of you people here today, how many of you are --

THE HEARING OFFICER: Excuse me, sir. Please don't solicit comments.

MR. HOPPE: Who are one of the protected farmers? If I was about to lose my water in the Platte River irrigating, I'd be at this meeting and I'd be for it, very much. But I've been to two of these meetings and I haven't heard anybody speak. I've heard one lady stand up and tell me that the sturgeon and the plovers need water. I'll agree with that. They sure do. But I've had no one testify to me that they're protecting the surface water for an irrigator. I'd like to know who this surface water is being protected for, because, damn it, I don't know, and I would really like to know, because it's my livelihood. It's the future of my kids. It's the future of my community, and it's the future of a lot of other people's out here, too. And we're not going to sit idly by and let our rights as landowners, our rights as irrigators, be taken away from us. On the economic study they presented, you forgot one job that's definitely going to be changing hands real soon, that's the Governor of the State of Nebraska.

THE HEARING OFFICER: Thank you, Richard.

Any other opponents?

RON CEMPER

MR. CEMPER: My name is Ron Cemper, C-e-m-p-e-r. I spoke at the Norfolk meeting and there's a few points that I want to bring back up from that testimonial. The static water table is higher than it has ever been in the 40 years that I've been in O'Neill. The U.S. Geological, 2007 spring to 2008 spring, indicated that the water in the Upper Elkhorn DNR -- NRD, has risen five feet in places and everywhere's else one to two feet or there is no data.

The Louisville checkpoint is flowing above the 1954 record measures of an annual average of 4,509 cubic feet per second. In 2007, the annual average was 8,286 cubic feet, and in 2008, 10,550 cubic feet. In 1956, one year alone, it was 2,000 feet less. What did that do for the pallid sturgeon? Why do we have to have so much water for the pallid sturgeon and the other endangered species now?

I also noticed that on the geological survey maps, we had some spots in the state of Nebraska that the water table has risen over 50 feet, so I went to the geological maps and started wondering. What don't the U.S. Geological Survey maps show the mass water buildup in the Merritt Dam Irrigation District, when it does in McConaughey, Sherman, and Calamus Irrigation Districts. I checked out the area this past week and found that the local wells did the same

thing. The Upper and Lower Elkhorn NRDs are downstream. Is this the reason our water tables are higher than ever before?

Question 2, we know corn's daily water requirement, but has there been any scientific research on how much moisture the plant returns to the soil after the first frost? I've noticed that the soil always gets wetter after the first frost when I did a pivot path or any other reason. The sap comes down out of the tree and goes into the ground, and I'm sure that it does the same in the corn plant. There has to be a reason for higher than ever water table and the Louisville stream flows show that records caused in the last 55 years are showing that. The only change that I've witnessed are less rain and more irrigation. I feel we need a good reservoir on the Niobrara north of Holt County to replenish this instead of shutting down irrigation. Thank you.

THE HEARING OFFICER: Thank you, Ron. Did you sign in, Ron?

MR. CEMPER: Yes, I did.

THE HEARING OFFICER: Thanks.

JOHN KRUEGER

MR. KRUEGER: My testimony is probably a little bit different. John Krueger, K-r-u-e-g-e-r, Tilden, Nebraska. I applied for four permits in like March of '08.

They were approved, no problem. The irrigation driller was only there to get -- he was able to get there to start drilling for me. He was able to get one of them done before the weather turned into a rain. We pulled his equipment out. He goes, "I'm headed for the sand. I'll be back." Started heading my direction another time, it started raining. No use trying to drag it in to drag it out. Got there in November, drilled two wells for me in the 10/50 area. Then I get the letter that we can't have them.

I have a used pivot sitting there. I have a new pivot ordered for that. I have two wells drilled and cased. Thank goodness, I do not have the pumps. As of right now, I have $101,000 that I can't get back, basically. That is outlayed. There's probably not too many financial statements that really care to take a $101,000 hit. My two adopted boys do not like to hear that Christmas may be shy or whatever, but I mean, it affects many people in many ways.

I did want to ask one question and I realize that I can't now. I believe 11 acre-inches is used for all irrigated acres or thereabouts. I'm not sure. Correct me, if I'm wrong, please. The one well that we did get drilled and used, I planted to corn. I used 5.8 inches and that is all that I wanted to put on that piece of ground. I realize in some of the more sandy conditions more water gets used.

This particular well is set up at 900 gallons a minute. If I'd have put on any more than the 5.8, I'd have had my own stream running down to Louisville. It would have absolutely run off. I'm a no-tiller. That ground's been no-tilled for years, so it has optimum saturation. I mean, it's going to take in water as good as anything, and now it is following soybean ground. That's another place I have a little bit of a problem with. You're using corn acres, is my understanding. I did hear a little bit today that there may be a blended.

My -- I'm 50/50, and I know that there's a lot of other soybean grounds under irrigation that are not using the 11 acre-inches.

That's my testimony for today. Thank you very much.

THE HEARING OFFICER: Thank you, John.

DOUGLAS P. NELSON

MR. NELSON: My name is Douglas P. Nelson, Wayne, Nebraska.

THE HEARING OFFICER: E-n or o-n?

MR. NELSON: O-n. I did something interesting this morning. I looked up the hours on one of my irrigation wells. It's been in operation for 20 years, and it's got an original tachometer on it. I did some calculations. I was curious to see how many acre-inches I apply on average. And

I'm in clay soils northwest of Wayne. It came out to be four and a quarter inches on average over 20 years. Now, you got to understand, there's some years a little higher and there's some years in there a little lower. But that is a very reasonable and economical amount of water on that 20-year average. We're not using any more than we have to.

I have also noticed as I've been in business 40-some years now. And my original experience with irrigation was surface irrigation out of a creek, started irrigating out of the Dog Creek and then the Logan Creek, on behalf of my father. And we could suck the water dry with our pumps, occasionally in those late '70s, early '80s. I mean, the stream flow would be nothing going past, and we'd suck air. Then we'd lose our prime and the machine would shut down. We each, my father and I, we each converted to groundwater, to a well. And today, as I pay attention, you know, to what's going on out there, I recall how much flow was in that creek. And if, you know, if I see something running down a waterway after a rain, I can say, "Well, there's enough water in there I can run my irrigation pump." I'll bet I could put 100 pumps in Dog Creek today in my area, and I don't think I could pump it dry. That's how much more water we have today than we had back in the late '70s, early '80s.

Since we've been irrigating from groundwater, our

stream flows have increased. Now, you're listening to a guy that's been paying attention. I have not gone out there with a flow meter and measured it, but there's more water coming out of Dog Creek than there ever has in my life.

That brings me to the 10/50 rule. How did that get created? In my area, it's not a positive 10. It's a negative 10. I'm not going to say that there are some -- there may be some area that may be hydrologically connected to that creek. I don't know where it would be, but my experience tells me that 10 should be a negative number, because the more water we pump out of the ground, the more runs in that creek.

Next, I ate dinner with a contractor, asked him if he was involved with building the sandbar on the Missouri River for the least tern and the piping plover. He said, no, he did not bid the project, but he said his boy worked at the Hy-Vee building in Yankton, Nebraska, and the least tern had built a nest on the flat roof of the Hy-Vee building. Can you confirm or deny that? Okay.

Now, let's talk about habitat. Creating habitat does not necessarily enhance a species. And I can prove that by the fact that farmers leave 20 percent of their corn acres -- plant 20 percent of their corn acres to a refuge hybrid for the corn bore. That's creating a habitat for the corn bore and it's designed to keep him susceptible to the

Bt hybrids. It's designed to keep the corn bore weak. So, we got to recall or remember what we're trying to do and we're creating habitat for some of these species, but we're fighting nature. Nature knows how to keep a species strong, not us. We think we know how to keep a species weak in the case of the corn bore, by leaving him a refuge.

I'm going to close with an overall personal opinion here that we really need to pay attention to. The earth is not a static object. It's rotating and revolving. It's heating and cooling. There's oceans and tides, earthquakes and volcanoes. There's forest fires and sunspots. This thing is bigger than a fish, a farmer, and any government agency that thinks otherwise. Boys, somewhere in this country someone has got to produce some legitimate profit to pay the taxes to pay the illegitimate public debt. Using water is just that. It's not like coal or oil. Water is a non-polluting and totally indestructible resource. Every molecule is always here no matter how many times you use it. What I'm trying to say is, we can fight and argue all we want. We can pass all the laws we want, but there's something bigger than us. We're wasting our time here. It's going to be what it is, because even before the days of irrigation, we'd have a drought and the rivers would dry up and the species are still here. Irrigation, because you cannot destroy water no matter what you do, you

pump it out of the ground, you pump it out of the creek, it's going to get right back in there. Water always wins. Thank you very much.

THE HEARING OFFICER: Thank you, Douglas.

Next person to testify?

(No response.)

That was opponents. Is there anyone wishing to testify in the neutral capacity?

RON DIERKING

MR. DIERKING: Good afternoon. My name is Ron Dierking, D-i-e-r-k-i-n-g. I am the Chairman of the Logan East Rural Water System that is located in Oakland, Nebraska. It was developed and is monitored by the NR -- Lower Elkhorn NRD, and I serve on the advisory board for that water system. Our area that we have that we serve people in is boundaried by Highway 51 to Highway 30, and then from the little town of Scribner to the Missouri River, which encompasses about 35 square miles. We have 700 miles of line in the ground. We have 1,100 meters. We serve several small towns. It has been a blessing for our area as far as water, good quality water for our area. I leave east of Scribner, and I can attest to bad water. I know what it was. The area that our wells are in are approximately 4 miles west of the town of Oakland. They have served us well. They're high quality wells. They're good producing

wells. We are in a well protected area as far as drilling, that kind of thing.

I am not opposed to wells. I'm not opposed to people using their land in the way they see fit. The only thing I would suggest is that we be considered in monitoring these areas so we can continue to serve quality water to good people. The quality is not of a situation as the present time. There might be some situations down the road where that might change. I would strongly urge the NRDs or this group of people to be careful in the idea of opening up completely to certain areas.

I think we need to work as a group to keep quality water for their area, but also not abuse the area. I would probably look for the idea of being a one-on-one situation with a farmer if he were to drill a well, if you were to open this area up, and/or maybe a flow meter on some of the wells so we can monitor the amount of water used. It is a situation that could change in a small amount of time. We're doing a study right now with the geological people doing a survey study, and trying to establish the areas that our water is coming from. It has served us well. We look forward to continuing to serve us well, but I do caution that we be somewhat careful in the wells and monitoring of them. Thank you.

THE HEARING OFFICER: Thank you, Ron.

Next testifier?

(Exhibit 5 was marked for identification.)

GLENN JOHNSON

MR. JOHNSON: My name is Glenn Johnson. I'm here representing the Lower Platte South Natural Resource District, and I am their General Manager, presenting testimony today concerning the preliminary designation of the Lower Platte Basin as fully appropriated.

Most of the Lower Platte South Natural Resources District is located in the Lower Platte Basin. There is a portion of it that drains into the Missouri River Basin. We've got a number of programs and projects. We've always been involved in Lower Platte River issues and have a lot of respect for all of the various uses and needs of the Lower Platte Basin.

We are currently, along with a number of other NRDs in the Basin, participating in a review that's underway right now of the annual evaluation. Upon completion of that review, we may provide additional testimony at the final hearing on the 12th.

I am here, though, today, to indicate that in reviewing the extent of the area that is in the hydrologically connected, or at least identified as hydrologically connected ground and surface water. We do have a couple of areas where it would appear that, along the

Platte River, that maybe there are a couple of areas where they probably should be looked at again and both either into the hydrologically connected designation or moved outside of it, and we've provided copies of the maps there. A couple of cases where the actual Platte River and part of the Platte River bed itself goes outside of what's now designated as the hydrologically connected. And we're a little bit baffled as to how you can have that outside the river in that case. But we'd ask the Department to take another look at those. And that's our testimony for today.

THE HEARING OFFICER: Thank you, Glenn.

Next testifier. Anyone else wishing to testify?

(No response.)

The Department has received a couple of pieces of written testimony prior to the hearing and I'd like to submit those for the record.

(Exhibits 6 and 7 were marked for identification.)

It is now quarter to three. I'd like to complete testimony for this hearing and close this particular hearing, but remind you that the record will be held open through the close of business Friday, March 13th, 2009, for receipt of any additional written testimony, which should be mailed to the Department and identified as testimony for this hearing.

Once the record is closed, the Director of the

Department will consider the testimony and the exhibits presented at this hearing prior to making his final determination on whether to go forward with the preliminary determination or to reconsider the preliminary determination, issue a different preliminary determination, and schedule further hearings. Thank you all for coming.

(Whereupon, at 2:50 p.m., on February 24, 2009, the proceedings were concluded.)

(Exhibit 8 was marked for identification.)

- - -

NOTICE OF PRELIMINARY DETERMINATION THAT THE LOWER PLATTE RIVER BASIN IS FULLY APPROPRIATED

NOTICE TO THE UPPER NIOBRARA-WHITE NATURAL RESOURCES DISTRICT, THE MIDDLE NIOBRARA NATURAL RESOURCES DISTRICT, THE LOWER NIOBRARA NATURAL RESOURCES DISTRICT, THE UPPER LOUP NATURAL RESOURCES DISTRICT, THE UPPER ELKHORN NATURAL RESOURCES DISTRICT, TWIN PLATTE NATURAL RESOURCES DISTRICT, LOWER LOUP NATURAL RESOURCES DISTRICT, CENTRAL PLATTE NATURAL RESOURCES DISTRICT, UPPER BIG BLUE NATURAL RESOURCES DISTRICT, LOWER ELKHORN NATURAL RESOURCES DISTRICT, LOWER PLATTE NORTH NATURAL RESOUCES DISTRICT, LOWER PLATTE SOUTH NATURAL RESOURCES DISTRICT, LEWIS AND CLARK NATURAL RESOURCES DISTRICT, AND PAPIO MISSOURI RIVER NATURAL RESOURCES DISTRICT

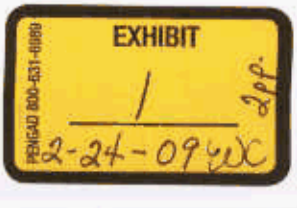
The Nebraska Department of Natural Resources has completed its annual evaluation of expected availability of hydrologically connected water supplies in accordance with the Nebraska Ground Water Management and Protection Act ("Act") and has made a preliminary determination that the Lower Platte River Basin is fully appropriated. As required by the Act, the Department hereby gives notice of its determination to each of the natural resources districts that encompasses a portion of the geographic area involved.

NOTICE

1. The Department has made a preliminary determination that the portion of the Lower Platte River Basin depicted on the enclosed map is fully appropriated. The fully appropriated portion of the basin includes the surface watershed of the Platte River and its tributaries from the confluence upstream of the Missouri River and the ground water aquifers considered to be hydrologically connected to that portion of the Lower Platte River and its tributaries.

2. The Department has placed an immediate stay on the issuance of any new surface water appropriations in the fully appropriated portions of the Lower Platte River Basin.

3. Upon receipt of this notice, and in accordance with Neb. Rev. Stat. Section 46-714(1), an immediate stay on the issuance of water well construction permits takes effect in the area in which the surface water and groundwater are hydrologically connected in the Lower Platte River Basin ("the hydrologically connected area"). A map and the legal description of the hydrologically connected area are enclosed.



ADDITIONAL INFORMATION

On December 26, 2008, the following additional stays take effect:

1. No new water wells may be constructed in the hydrologically connected area *unless a construction permit for the water well was issued by a natural resources district prior to* December 16, 2008, and the permit contains conditions that meet the objectives of Neb. Rev. Stat. Section 46-715. Any well constructed pursuant to such a permit must be completed in accordance with Neb. Rev. Stat. Section 46-738.

2. No existing water well in the hydrologically connected area may be used to increase the number of acres historically irrigated.

3. No surface water appropriation in the fully appropriated area may be used to increase of the number of acres historically irrigated.

The stays shall remain in effect at least until the Department has made a final determination about whether this portion of the Lower Platte River Basin is fully appropriated. One or more public hearings on the preliminary determination will be held on or before March 16, 2009. The Department will make a final decision on whether or not this portion of the Lower Platte River Basin is fully appropriated on or before April 15, 2009. A decision whether or not to continue the surface water stays will also be made at that time. The natural resources districts will then have to decide whether or not to continue the stays on the construction of new wells or the use of existing wells to increase the acres irrigated beyond historic use.

Brian Dunnigan, Director
Department of Natural Resources

Proof of Publication

STATE OF NEBRASKA
County of Dodge
ss.

RECEIVED
FEB 03 2009
DEPARTMENT OF NATURAL RESOURCES

William Vobejda being duly sworn, deposes and says he is Publisher of the FREMONT TRIBUNE, a newspaper printed and published daily except Sunday in Dodge County, State of Nebraska, and of general circulation in Dodge County; that said newspaper has a bona fide circulation of more than 300 copies daily, has been published within said County for more than 52 successive weeks immediately prior to the first publication of the annexed notice, and is printed wholly in an office maintained at the place of publication.
And that the annexed notice has been published in one issue for 3 consecutive weeks in said newspaper.

CASE TITLE Lower Platte River
NOTICE of February and March Public Hearings

ENVELOPE NO.	LINES	RATE	DATE	CHARGES
67176	76	.30680	01/17/09	
67176	76	.26860	01/24/09	
67176	76	.26860	01/31/09	

NOTICE OF PUBLIC HEARINGS ON THE PRELIMINARY DETERMINATION THAT THE LOWER PLATTE RIVER BASIN IS FULLY APPROPRIATED

The Nebraska Department of Natural Resources will hold public hearings on the preliminary determination at four locations and dates:

Friday, February 13, 2009 at 1:30 P.M. at the Lower Loup Natural Resources District Office, 2620 Airport Drive, Ord, Nebraska.

Tuesday, February 17, 2009 at 1:30 P.M. at the Learning Center of Northeast Nebraska Community College, 601 East Benjamin Avenue, Norfolk, Nebraska.

Tuesday, February 24, 2009 at 1:30 P.M. in Room A on the Lower Level of the State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

Thursday, March 12, 2009 at 1:30 P.M. in the Fremont City Auditorium, 925 North Broad Street, Fremont, Nebraska.

Any interested person may appear at these hearings and present written or oral testimony and evidence concerning the appropriation status of the Lower Platte River Basin, the department's preliminary conclusions about the extent of the area within which the surface water and ground water supplies for the river basin, subbasin, or reach are determined to be hydrologically connected, and whether stays on new uses should be terminated. Information on the preliminary determination, maps of the areas affected, and maps and legal descriptions of the geographic area within which the ground water is hydrologically connected to surface water for purposes of a fully appropriated determination of the Lower Platte Basin are located on the department's web site, www. dnr.ne.gov

Brian P. Dunnigan,
Director
Nebraska Department of Natural Resources
(1;17,24,31)09(67176)

Publication Fee $64.14
and said notice was published each week on the same day of the week as the first publication.

Subscribed in my presence and sworn before me this 31st January, 2009

Cynthia C Schinstock
Notary Public

My commission expires April 5, 2012.

GENERAL NOTARY-State of Nebraska
CYNTHIA C. SCHINSTOCK
My Comm. Exp. April 5, 2012

PENGAD 800-631-6989
EXHIBIT
2-24-09DC
App.

Norfolk Daily News

OWNED BY THE HUSE PUBLISHING COMPANY
NORFOLK, NEBRASKA

PROOF OF PUBLICATION

THE STATE OF NEBRASKA
Madison County

Debbie Warneke, being first duly sworn on oath says that she is the Business Manager of **The Huse Publishing Company**, a corporation, publishers of the **Norfolk Daily News**, a legal daily newspaper published at Norfolk, Madison County, Nebraska, and of general circulation in said county; that a notice entitled

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Brian P. Dunnigan, Director
Nebraska Department of Natural Resources

(January 15, 22, 29, 2009)

Lower Platte; a true copy as printed in said paper, is hereto attached and made a part hereof, was published in every issue of said paper for each **Thursday;** each week for **three** consecutive weeks, the first publication being on **January 15, 2009** and the last day of publication being **January 29, 2009** said newspaper was published daily in the City of Norfolk within said County for more than 52 consecutive weeks immediately prior to the commencement of the publication of said notice and every week consecutively since that time; and during all of said time said newspaper had a bona fide circulation of more than 300 copies daily and was printed wholly in the English language and in whole or in part in an office maintained by the publisher at said place of publication.

Debbie Warneke

Subscrib 29 day of January . 2009

Lori J Brummels

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GENERAL NOTARY - State of Nebraska
LORI J. BRUMMELS
My Comm. Exp. Oct. 4, 2011

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DEPARTMENT OF NATURAL RESOURCES

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DEPARTMENT OF NATURAL RESOURCES

Proof of Publication

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Brian P. Dunnigan, Director
Nebraska Department
of Natural Resources
52-3tc

STATE OF NEBRASKA, } ss.
VALLEY COUNTY.

Lynn Griffith, being first duly sworn, on oath deposes and says that he is Publisher of THE ORD QUIZ, a legal weekly newspaper under the Statutes of The State of Nebraska, printed and published in whole (or in part) once each week at its office in the City of Ord, Valley County, Nebraska; that he has knowledge of the facts set forth herein; that the notice, a true and correct printed copy of which is hereto attached and made a part hereof, was printed and published in each and in all of the regular and entire weekly issues of every publication of said newspaper and not in a supplement thereof, 3 consecutive, successive weeks, namely in the issues of the 14 day of Jan, 2009, the 21 day of Jan 2009, the 28 day of Jan, 2009 and the ..... day of ....., 20..... and the ..... day of ..... 20.....

Printer's Fees $ 74.28

Lynn Griffith

Subscribed in my presence and sworn to before me this 29 day of January, 2009.

Corinna K. Nickels

(SEAL) Notary Public,

GENERAL NOTARY - State of Nebraska
CORINNA K. NICKELS
My Comm. Exp. Aug. 15, 2011

3

AFFIDAVIT OF PUBLICATION

State of Nebraska } ss.
LANCASTER COUNTY, }

NOTICE OF PUBLIC HEARINGS ON THE PRELIMINARY DETERMINATION THAT THE LOWER PLATTE RIVER BASIN IS FULLY APPROPRIATED

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Brian P. Dunnigan, Director
Nebraska Department of
Natural Resources

#5459959 31 Jan. 15, 22, 29 29-01-00

The undersigned, being first duly sworn, deposes and says that she/he is a Clerk of the Lincoln Journal Star, legal newspaper printed, published and having a general circulation in the County of Lancaster and State of Nebraska, and that the attached printed notice was published in said newspaper ONE successive time(s) the first insertion having been on the 15 day of January A.D., 2009 and thereafter on _____, 20___ and that said newspaper is the legal newspaper under the statutes of the State of Nebraska. The above facts are within my personal knowledge and are further verified by my personal inspection of each notice in each of said issues.

Rebecca Coulter

Subscribed in my presence and sworn to before me this 26 day of January, 2009

Janice Krueger Notary Public

Printer's Fee, $_____

GENERAL NOTARY-State of Nebraska
JANICE KRUEGER
My Comm. Exp. Jan. 30, 2009

5459959

AFFIDAVIT OF PUBLICATION

State of Nebraska } ss.
LANCASTER COUNTY, }

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The undersigned, being first duly sworn, deposes and says that she/he is a Clerk of the Lincoln Journal Star, legal newspaper printed, published and having a general circulation in the County of Lancaster and State of Nebraska, and that the attached printed notice was published in said newspaper TWO successive time(s) the first insertion having been on the 22 day of January A.D., 2009 and thereafter on 29, 2009 and that said newspaper is the legal newspaper under the statutes of the State of Nebraska. The above facts are within my personal knowledge and are further verified by my personal inspection of each notice in each of said issues.

Rebecca Coulter

Subscribed in my presence and sworn to before me this _____ day of January 30, 2009

Julana Nordmeyer Notary Public

Printer's Fee, $_____

GENERAL NOTARY - State of Nebraska
JULANA NORDMEYER
My Comm. Exp. Jan. 28, 2012

5466180

4

Testimony Provided by the U.S. Fish and Wildlife Service to the Nebraska Department of Natural Resources Regarding the Fully Appropriated Designation for the Lower Platte River

Public Hearing, Tuesday February 24, 2009
1:30 p.m., State Office Building, Room A
Lincoln, Nebraska

The U.S. Fish and Wildlife Service (Service) supports the Nebraska Natural Resources Department determination that the Lower Platte River is fully appropriated. The lower Platte River is considered crucial to the recovery of the federally listed pallid sturgeon, interior least tern, and the piping plover. The mouth of the Platte River is included in one of the six priority recovery areas identified in the Pallid Sturgeon Recovery Plan (USFWS 1993). The Lower Platte River is also recognized as an important recovery area for the least tern and piping plover (USFWS 1990; USFWS 1988). A fully appropriated designation would benefit the pallid sturgeon, least tern, and piping plover by: 1) halting the flow-related degradation of habitats for the three federally listed species, and 2) allowing water provided by the Platte River Recovery Implementation Program to more effectively benefit the three federally listed species as it reaches the Lower Platte River.

Although substantially altered, the current flow regime provides habitat that remains the most similar to the original, unaltered habitat in the middle portion of the pallid sturgeon's range. The flow regime in the spring and early summer produces conditions important to various aspects of the pallid sturgeon reproductive cycle, including development of spawning cues and access to potential spawning areas. The National Research Council (NRC) concluded that "The loss of the lower Platte River habitat would probably result in a catastrophic reduction in the pallid sturgeon population. Any recovery effort for the pallid sturgeon will of necessity include the lower Platte River." (NRC 2005, p 238). The Service has also determined that projects resulting in depletions to the lower Platte River would adversely affect the least tern and piping plover through impacts to riverine sandbar nesting and foraging habitats.

The Endangered Species Act of 1973 (ESA) provides for the conservation of federally listed threatened or endangered species and the ecosystems upon which they depend. The ESA and its implementing regulations present multiple means of achieving the stated purpose of species conservation. One such means is the Platte River Recovery Implementation Program (Program), an agreement among the states of Colorado, Wyoming, and Nebraska and the Department of the Interior, whose purpose is to secure defined benefits for the federally listed pallid sturgeon, whooping crane, least tern, and piping plover. One goal of the Program is "testing the assumption that managing flow in the central Platte River also improves the pallid sturgeon's lower Platte River habitat". Participants of the Program fully recognize the need to optimize the limited federal and State monies available to implement this Program. A Fully Appropriated designation for the Lower Platte River would help to ensure optimal benefits to the Lower Platte River habitats from water provided by the Program.

The Service looks forward to working with our State partners and water users to address the need for water resource development within the context of conserving threatened and endangered species and the Lower Platte River ecosystem on which they depend.

Respectfully submitted by June M. DeWeese, Field Supervisor, Nebraska Ecological Services Field Office, U.S. Fish and Wildlife Service.

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A Report Prepared by
David I Rosenbaum Economic Consulting, LLC

Final Report

The Economic Impact on Agriculture of Declaring the Lower Platte River Basin Fully Appropriated

Prepared by
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23 February, 2009

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Executive Summary

Declaring the Lower Platte River Basin fully appropriated will have a variety of effects on the Nebraska economy. The impact will be significant on pivot manufacturers, well drillers and farm equipment dealers. Annually, they can expect to lose $23.3 million in business and 100 full or part-time jobs. These job losses will be felt in small towns throughout the basin.

Farming will also feel the effects of this declaration. By not being able to convert dryland cropland to irrigated cropland, the Nebraska economy will forgo $7 to $9 million in output gains and 80 to 110 new full or part-time farming-related jobs the first year of the declaration. Forgone output and employment will grow by similar increments in following years. The loss of conversion also means that communities will forgo millions in new property tax revenues.

These impacts will be multiplied through the economy as the reductions in output and employment described above reduce the demand for other products made and sold in Nebraska. The multiplied impact to Nebraska over 20 years could be over $1.2 billion in lost or forgone output and more than $43 million in forgone property taxes. After 20 years, small communities in the basin might expect to either lose or forgo over 2,200 full or part-time jobs.

There would be potentially significant economic gains from a delayed declaration. The table below shows the present value of the benefits that Nebraska could expect if the declaration is delayed five, 10, 15 or 20 years. However, once a declaration occurs, the pivot and well drilling industry would lose millions of dollars in output annually and downsize by hundreds of jobs. In addition, the Nebraska economy would no longer gain the benefits available from converting additional dryland cropland to irrigated cropland.

Present Value of Economic Benefit Available by Delaying for 5, 10, 15 or 20 Years Declaration of the Lower Platte River Basin as Fully Appropriated

	5 Years	10 Years	15 Years	20 Years
Output ($ million)	$271	$602	$936	$1,234
Employment	731	1,247	1,764	2,280
Property Taxes ($ million)	$5.8	$17.2	$30.4	$43.5

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Table of Contents

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IV.

List of Tables and Figures

I. Modeling Economic Impacts

Declaring the Lower Platte River Basin (LPRB) fully appropriated will have a variety of impacts on the Nebraska economy. The direct impact will be significant on well drillers, farm equipment dealers and center pivot manufacturers. These companies currently supply goods and services for approximately 275 new irrigation pivots annually in the LPRB. The declaration will reduce their output as they no longer supply infrastructure for 275 pivots each year. It will also reduce their income, value added and employment.

Farmers will feel the effects of the declaration as well. They will not be converting dryland to irrigated cropland. This means forgoing output, income and employment that the conversion would have produced. These effects will be cumulative as additional acres of conversion and their associated production and employment increases will be forgone each year.

Property tax revenues to counties will also be affected by the declaration. Counties will not capture the additional property tax revenues that would have been generated by the increase in cropland values due to conversion of dryland to irrigated cropland. The property tax effects will also be cumulative as additional acres of conversion will be forgone each year.

These impacts will be multiplied through the economy as the reduction in output, income and employment reduces the demand for other products made and sold in Nebraska. The IMPLAN software developed by the Minnesota Implan Group, Inc. is used to estimate relevant economic multipliers for Nebraska. This is possible because the IMPLAN model can be used to examine the economic impact of lost activity in over 500 industry sectors in every

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5

county, or combination of counties, in the United States. For a description of the modeling, see Appendix H.

II. Data

A. New Wells

The Web site for the Nebraska Department of Natural Resources shows wells completed and registered in Nebraska.[1] The database was searched for new, agricultural irrigation wells completed between 2006 and 2008 in the six natural resource districts that make up the majority of the Lower Platte River Basin (LPRB). Those NRDs are the Upper Loup, Lower Loup, Upper Elkhorn, Lower Elkhorn, Lower Platte North and Lower Platte South. Table 1 below shows the number of wells drilled in the years 2006 through 2008 and the average depth of those wells. On average, over those three years, there were 288 new agricultural irrigation wells drilled per year. This estimate is probably conservative as there are parts of other NRDs in the LPRB that were not considered for this analysis. Table 1 also shows that the average depth of a well was 250 feet.

Table 1
New Irrigation Wells Registered by Completion Year

Year	Number of Wells	Average Depth
2006	319	234
2007	309	257
2008	235	259
Average	288	250

[1] http://dnrdata.dnr.ne.gov/wellssql/

B. New Pivots

Discussion with well drillers doing business in central and eastern Nebraska indicate that most quarter sections can be irrigated from one well. However, in a small number of cases, it may take two wells to support irrigating a quarter section. Consequently, the average number of new pivots expected to be installed each year is 275. This reflects the occasional need for two wells to support one pivot.

C. Irrigated Acres per New Pivot

A quarter section is 160 acres. A pivot is able to irrigate a quarter section less the corners. This equates to 130 irrigated acres per new pivot.

D. Cost of a New Well

Discussions with well drillers indicate that it costs about $70 per foot to have a new well drilled. Using the average depth of 250 feet in Table 1 above, the cost to drill a new well is about $17,500. A pump costs between $20,000 and $30,000 depending on well depth and volume. An average price of $25,000 is used in this analysis. Combining the cost of drilling with the cost of a pump indicates that the cost of a new well is $42,500.

E. Cost of a New Pivot

Discussions with manufacturers indicate that the retail installed price of a new, standard seven tower galvanized machine equipped with 6 5/8" water pipe, 61' end boom, 11x22.5

recap tires, mid-range control panel and a standard sprinkler package is approximately $60,000. This includes the wholesale price plus markup, installation and transportation.

F. Agricultural Production

The Web site of the Nebraska Department of Agriculture links to a database showing a variety of agricultural production statistics by county.[2] Statistics were gathered for each of the counties in the six NRDs that make up the vast majority of the LPRB. The relevant counties and their associated NRDs are shown in Appendix A.

For each county, for the years 2004 through 2007, it was possible to obtain measures of the number of acres producing a variety of crops via either irrigated or dryland production. Aggregated figures for the 36 counties are shown in Appendix B. In these 36 counties, corn for grain and soybeans dominated production. Each year, approximately 20 percent of harvested acres were devoted to irrigated corn and another 20 percent to dryland corn. Approximately 10 percent of harvested acres were devoted to irrigated soybeans and another 15 percent to dryland soybeans.

[2] http://www.nass.usda.gov/QuickStats/Create_County_Indv.jsp

8

Table 2 below shows the average acres of corn and soybeans harvested in these 36 counties over the years 2004 through 2007. It also shows average production and average yields for corn and soybeans, using irrigation and without irrigation. For corn, yields averaged 183 bushels per acre with irrigation and 128 bushels per acre without irrigation. For soybeans, yields averaged 55 bushels per acre with irrigation and 44 bushels per acre without.

Table 2
Corn and Soybean Production in the Lower Platte River Basin

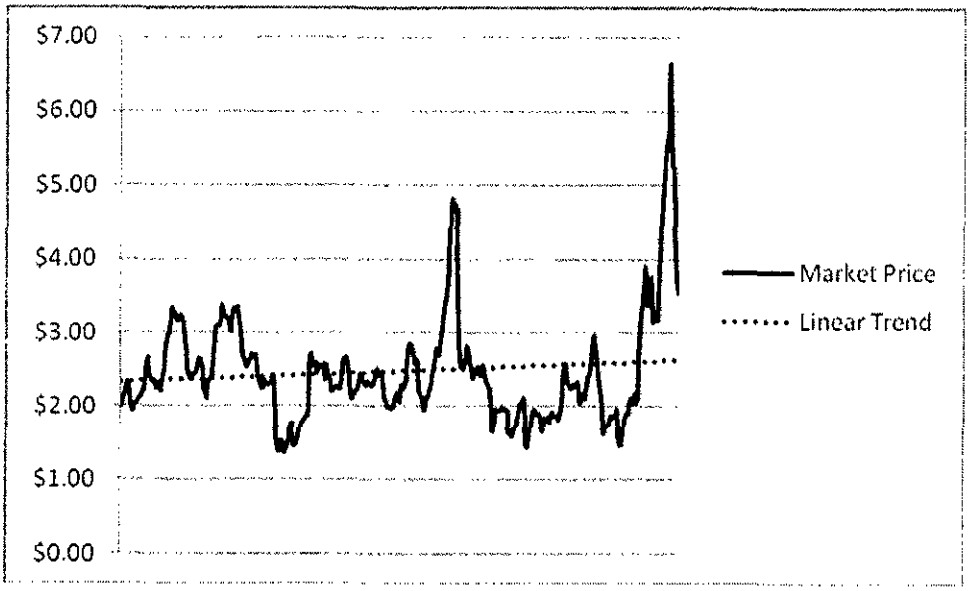
Commodity	Practice	Harvested Acres	Production Bushels	Yield Bushels/Acre
Corn For Grain	Irrigated	1,565,750	286,536,675	183
Corn For Grain	Dryland Total	1,471,450	188,539,800	128
Soybeans	Irrigated	757,625	41,356,150	55
Soybeans	Dryland Total	1,263,750	55,698,475	44

seven tower galvanized machine [illegible]

G. Crop Prices

Corn and soybean prices were derived from USDA Economic Research Service data.[3] Monthly corn prices are reproduced in Appendix C. Figure 1 below shows the monthly market price for #2 yellow corn in Omaha between 1978 to 2008. The price was volatile, jumping from a low of about $1.70 per bushel to more than $8.00 per bushel. Consequently, two alternative prices are used. The analysis labeled "Current" uses the current market price. The price as of the end of 2008 was $3.56 per bushel. The analysis labeled "Trend" uses the linearly trended corn price, which is also shown in Figure 1 and Appendix C. The trended price as of the end of 2008 was $2.64 per bushel.

Figure 1
Corn Prices Over Time

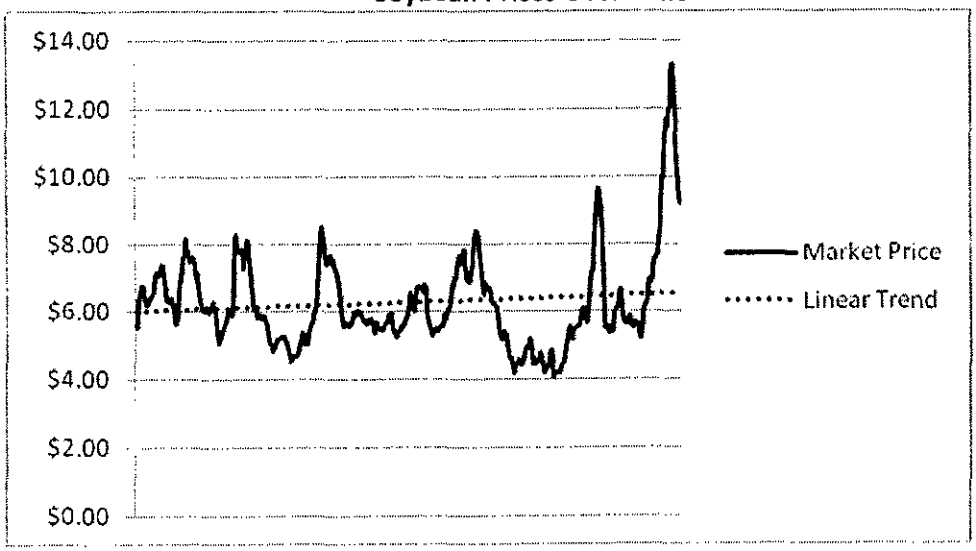


[3] www.ers.usda.gov/Data/Arcbooks/Green County Indy.jpg

10

Figure 2 below shows the monthly market price received by U.S. soybean producers between 1978 and 2008. The data are reproduced in Appendix D. Soybean prices were volatile as well. Consequently, two alternative prices are used. The analysis labeled "Current" uses the current market price. The price as of the end of 2008 was $9.24 per bushel. The analysis labeled "Trend" uses the linearly trended soybean price, which is also shown in Figure 2 and Appendix D. The trended price as of the end of 2008 was $6.54 per bushel.

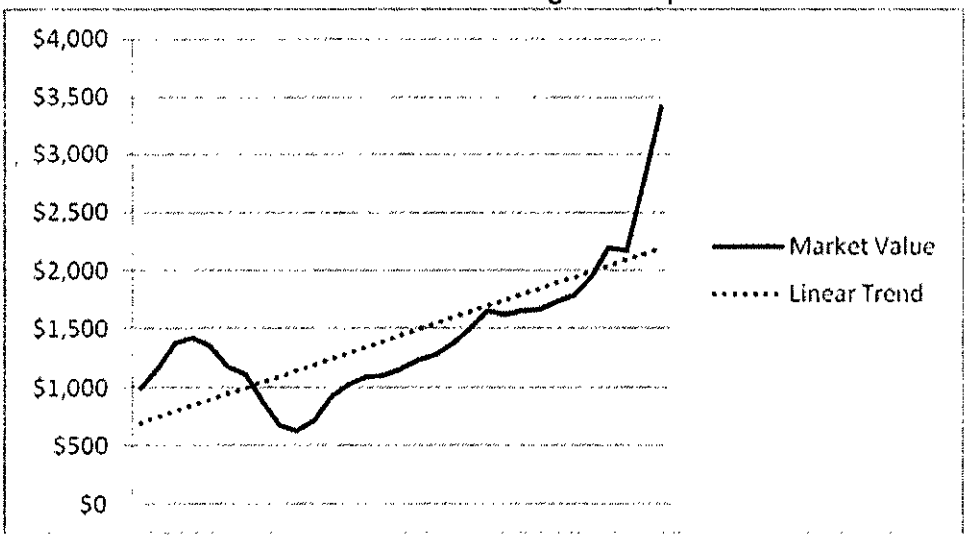
Figure 2
Soybean Prices Over Time



H. *Land Values*

Johnson, et al., show annual values for land devoted to a variety of agricultural uses.[4] The data are disaggregated into Agricultural Statistics Districts. Values from the North, Northeast, Central and East Districts are averaged to develop annual land values in the LPRB. Values for center pivot irrigated cropland are reproduced in Appendix E and are shown in Figure 3 below. Two methods are used to estimate future land values. The first uses the current value of $3,410 per acre. The second uses the linearly trended value of $2,190 per acre.

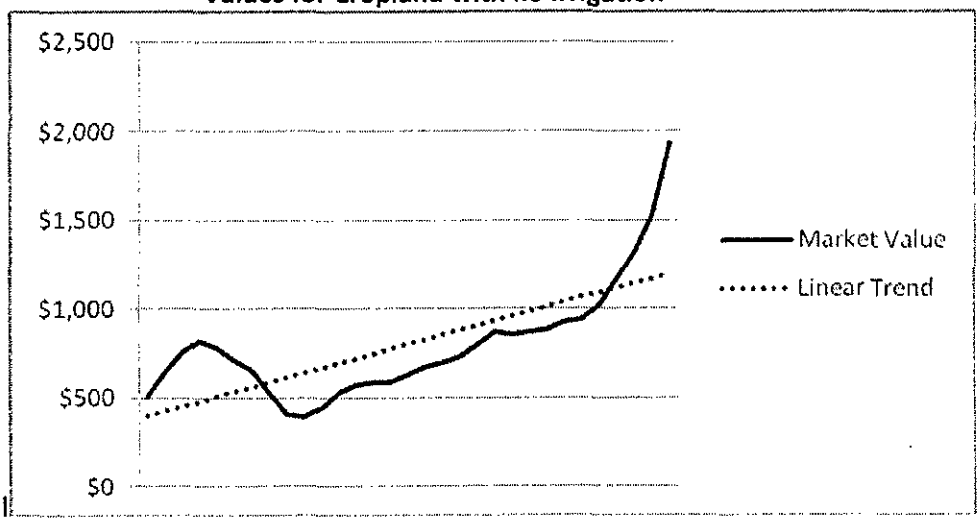
Figure 3
Values for Center Pivot Irrigated Cropland



[4] Johnson, Bruce, Ben Blomendahl and Ryan Lukassen, "Nebraska Farm Real Estate Market Developments 2007-2008," Department of Agricultural Economics Report No. 15, University of Nebraska-Lincoln. June 2008.

Values for dryland cropland with no irrigation potential are reproduced in Appendix F and are shown in Figure 4 below. Again, two methods are used to estimate future land values. The first uses the current value of $1,935 per acre. The second uses the linearly trended value of $1,200 per acre.

Figure 4
Values for Cropland with no Irrigation



Potential

I. Property Tax Rates

The Nebraska Department of Revenue collects property values and property tax revenues by county.[5] Revenues are divided by values to calculate effective property tax rates. The effective rates for the counties in the LPRB are shown in Appendix G. The average tax rate is 1.7386.

[5] http://pat.ne.gov/researchReports/valuation/

J. *Net Discount Rate*

A net discount rate accounts for both inflation and interest rates. It is used to calculate the present value of future cash flows. A net discount rate of seven percent is used in this analysis.

III. Economic Impacts

A. Trended Analysis

This analysis uses trended prices for corn, soybeans and agricultural land to estimate the economic impacts of declaring the LPRB fully appropriated. The declaration will have a direct impact on the Nebraska economy through lost well drilling, lost production, sales and installation of center pivots, and the resulting forgone increases in corn production. The declaration will also have multiplied effects. Lost production and sales imply less demand for the services of local businesses supporting that production and sales. The declaration will also result in lost proprietor and labor incomes, which in turn predicate less spending in the community.

[illegible] 2005." Department of Agricultural Economics Report No. [illegible] University of Nebraska-Lincoln, [illegible].

14

Table 3 below shows the direct impact of the proposed declaration on well drillers, equipment dealers and pivot manufacturers. Output is reduced by $23.3 million annually. Pivot manufacturers bear the brunt of the output reduction. Value added is reduced by $8.8 million annually. Labor income is reduced by $5.4 million annually. Employment is reduced by 100 full or part-time jobs. Well drilling has the largest employment loss, followed by pivot manufacturing and then equipment dealers. Since 288 wells will be lost each year, the annual value of the loss is the same in each year (absent inflation).

Table 3
Direct Impact of Declaration on Irrigation Industry

	Output ($ million)	Value Added ($ million)	Labor Income ($ million)	Employment
Pivot Manufacturing	$13.8	$3.7	$1.9	30
Well Drilling	$5.0	$2.2	$1.9	42
Pump Manufacturing	$0.3	$0.1	$0.0	1
Equipment Dealers	$4.2	$2.8	$1.6	27
Total	$23.3	$8.8	$5.4	100

The employment losses in Table 3 are consequential. Pivot manufacturing facilities are located in a few smaller towns through central Nebraska. They employ people from a variety of communities throughout the area. A loss of 30 full or part-time jobs means that people from a number of towns may find themselves unemployed.

The impact on well drillers and equipment dealers will be more severe. Together they will lose more than $9 million in economic activity annually. Drillers and dealers are typically small firms, run by a family and hiring a handful of local people. Most have total annual sales of

[5] http://not.ne.gov/researchReport/valuation/

$1 to $2 million. A loss of even $500,000 can have profound impacts on these small businesses. It is quite reasonable to expect a number of companies to go out of business. Together, well drillers and equipment dealers will lay off almost 70 employees. If each lays off three of four employees, that translates to 20 communities losing three or four jobs each.

The Nebraska Department of Labor estimates that in 2006 there were 360 people employed will drilling in Nebraska.[6] A loss of 42 full or part-time jobs is more than 11 percent of the industry's total employment.

Table 4 below shows the multiplied annual impacts as the effects faced by pivot manufacturers, well drillers and equipment dealers ripple through the Nebraska economy. Total output through the Nebraska economy is reduced by $36.4 million annually. Value added is reduced by $16.0 million annually. Labor Income is reduced by $9.7 million annually. Employment is reduced by 215 people. That translates to 40 central Nebraska communities each losing five or six jobs.

Table 4
Total Impact of Declaration on Irrigation Industry

	Output ($ million)	Value Added ($ million)	Labor Income ($ million)	Employment
Pivot Manufacturing	$20.5	$7.3	$4.1	85
Well Drilling	$8.5	$4.1	$3.0	75
Pump Manufacturing	$0.4	$0.2	$0.1	2
Equipment Dealers	$6.9	$4.4	$2.5	53
Total	$36.4	$16.0	$9.7	215

[6] http://www.dol.state.ne.us/nstars/webnstars/frame_it.asp?theProductName=WebNSTARS

16

The loss in employment will occur the first year of the declaration. The output losses will occur every year once the declaration is made.

Table 5 below shows the direct and multiplied impacts of the proposed declaration on crop production. Because the declaration will prevent the conversion of dryland to irrigated cropland, in the first year $7 million in additional corn production will be forgone, as will 83 full or part-time jobs to support that production.[7] The total impact in the first year as that effect ripples through the Nebraska economy will be $8.8 million in output and over 100 full or part-time jobs forgone. This impact will compound every year as more and more acres are not converted. The last row of Table 5 shows the impact when 20 years worth of conversion are forgone. The direct impact is $140 million in output, $54 million in value added, $27 million in labor income and 1,660 full or part-time jobs. The total impact as the effect multiplies through the Nebraska economy is $177 million in output, $79 million in value added, $43 million in labor income and 2,065 full or part-time jobs.

Table 5
Impact of Declaration on Crop Production – Trended Corn, Soybean and Land Values

		Output ($ million)	Value Added ($ million)	Labor Income ($ million)	Employment
First Year	Direct Impact	$7.0	$2.7	$1.4	83
	Total Impact	$8.8	$4.0	$2.2	103
20th Year	Direct Impact	$140	$54	$27	1,660
	Total Impact	$177	$79	$43	2,065

The final impact to consider is the loss in property tax revenues. Forgoing conversion translates into forgone increases in property values. In the first year, the opportunity cost is

[7] This forgone output and employment is the difference between output and employment with dryland soybeans and with irrigated corn.

18

almost $500,000 in property tax revenues to counties in the LPRB. After 20 years, the impact is over $9 million in additional property tax revenues forgone.

Table 6 on the next page aggregates the economic impacts across sectors and shows the total impact by year in each of twenty years. The first row, for example, shows that in the first year, the impact of the declaration on aggregate output in Nebraska is $45 million. The $45 million includes the loss of $36.4 million in the irrigation industry and $8.8 million forgone by not converting one year's worth of land from dryland to irrigated cropland. The aggregate impacts on value added and labor incomes are $20 and $12 million, respectively; 318 full or part-time jobs are forgone, as is $500,000 in property taxes.

Table 6 shows that in the second year, the impact on output is $54 million. This includes $36.4 in losses in the irrigation industry as an additional 275 pivots are not manufactured and installed, as well as two year's worth of dryland cropland that is not converted to irrigation. Ten years out, the impact on output is $125 million. This includes another $36.4 in losses in the irrigation industry and a total of ten year's worth of dryland cropland that is not converted to irrigation. Ten years out, 1,247 full or part-time jobs and $4.6 million in property taxes are forgone. Twenty years out, the impact on output is $213 million; 2,280 full or part-time jobs and $9.2 million in property taxes are forgone.

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Table 6
Aggregate Impact of Declaration – Trended Corn, Soybean and Land Values

Year	Output ($ million)	Value Added ($ million)	Labor Income ($ million)	Employment	Property Tax Revenue ($ million)
1	$45	$20	$12	318	$0.5
2	$54	$24	$14	421	$0.9
3	$63	$28	$16	525	$1.4
4	$72	$32	$18	628	$1.8
5	$81	$36	$21	731	$2.3
6	$89	$40	$23	834	$2.8
7	$98	$44	$25	938	$3.2
8	$107	$48	$27	1,041	$3.7
9	$116	$52	$29	1,144	$4.2
10	$125	$56	$31	1,247	$4.6
11	$134	$60	$33	1,351	$5.1
12	$142	$64	$36	1,454	$5.5
13	$151	$68	$38	1,557	$6.0
14	$160	$72	$40	1,660	$6.5
15	$169	$76	$42	1,764	$6.9
16	$178	$79	$44	1,867	$7.4
17	$186	$83	$46	1,970	$7.8
18	$195	$87	$49	2,073	$8.3
19	$204	$91	$51	2,177	$8.8
20	$213	$95	$53	2,280	$9.2

Table 6 naturally raises a question; would there be 20 year's worth of land to convert from dryland to irrigated cropland? In terms of acreage, the answer appears to be yes. If 275 new pivots covering 130 acres each are placed in a year, then 35,750 acres are converted each year. Over 20 years 715,000 acres are converted. Appendix B shows that in 2007 there were 1.1 million acres of dryland soybeans and 1.5 million acres of dryland corn harvested. Twenty years of conversion would use just over 25 percent of that dryland land.

20

The larger question is whether there is enough water to support another 715,000 acres of irrigation. Answering that question is beyond the realm of economic analysis. However, the information in Table 7 on the next page may be useful once the extent of available water is estimated. Table 7 shows the present discounted value of the aggregate economic benefit from agriculture by delaying the declaration any number of years. Present discounted value shows the value, right now, of a flow of dollars in the future. The easiest way to think of present value is to ask how much money you would have to have right now, so that if you invested it and earned a return, that money would produce the cash flows needed in the future.

The first row in Table 7 shows the benefit, right now, of delaying the declaration for one year. That benefit includes $45 million in output, $20 million in value added, $12 million in labor income, 318 full or part-time jobs, and $500,000 in property taxes. The second row in Table 7 shows that by delaying the declaration for two years, the current value of the benefit derived over those two years includes $96 million in output, $42 million in value added, $25 million in labor income, 421 full or part-time jobs, and $1.3 million in property taxes. The row for year 10 shows that by delaying the declaration for ten years, the current value of the benefit derived over those ten years includes $602 million in output, $268 million in value added, $153 million in labor income, 1,247 full or part-time jobs, and $17.2 million in property taxes. The last row of Table 7 shows the present discounted value of the impacts aggregated over twenty years includes over $1.2 billion in output, $555 million in value added, $314 in labor income, 2,280 full or part-time jobs and $43.5 million in property taxes.

21

Table 7
Present Discounted Value of Economic Impact over a Number of Years
Trended Corn, Soybean and Land Values

Year	Output ($ million)	Value Added ($ million)	Labor Income ($ million)	Employment	Property Tax Revenue ($ million)
1	$45	$20	$12	318	$0.5
2	$96	$42	$25	421	$1.3
3	$151	$67	$39	525	$2.5
4	$209	$93	$54	628	$4.0
5	$271	$120	$70	731	$5.8
6	$334	$148	$86	834	$7.8
7	$400	$178	$103	938	$9.9
8	$466	$207	$119	1,041	$12.2
9	$534	$237	$136	1,144	$14.6
10	$602	$268	$153	1,247	$17.2
11	$670	$298	$171	1,351	$19.7
12	$737	$328	$187	1,454	$22.4
13	$804	$358	$204	1,557	$25.0
14	$871	$388	$221	1,660	$27.7
15	$936	$417	$237	1,764	$30.4
16	$1,001	$446	$253	1,867	$33.1
17	$1,064	$474	$269	1,970	$35.7
18	$1,126	$502	$284	2,073	$38.4
19	$1,186	$529	$299	2,177	$41.0
20	$1,245	$555	$314	2,280	$43.5

Once a declaration occurs, many – but not all – of the benefits would continue to accrue to the Nebraska economy. The pivot and well drilling industry would suffer an impact anytime a declaration occurs. Total output through the Nebraska economy would be reduced by $36.4 million annually and 215 full or part-time jobs would be lost in rural communities. However, the gains from agricultural production would remain as converted cropland would continue to be center pivot irrigated.

B. Current Analysis

This analysis uses current prices for corn, soybeans and agricultural land to estimate the economic impacts of declaring the LPRB fully appropriated. The impacts on pivot manufacturers, well drillers and equipment dealers will be the same as in the trended analysis since their production values do not depend on the prices of crops or cropland. The impact each year includes $36.4 million in output, $16 million in value added and almost $10 million in labor income; 215 full or part-time jobs would be lost.

Table 8 on the next page shows the direct and multiplied impacts of the proposed declaration on crop production. Because the declaration will prevent the conversion of dryland cropland to irrigated cropland, in the first year $8.8 million in additional corn production will be forgone, as will 109 full or part-time jobs to support that production. The total impact in the first year as that effect ripples through the Nebraska economy will be $10.9 million in output and over 130 full or part-time jobs forgone. This impact will compound every year as more and more acres are not converted. The last row of Table 5 shows the impact when 20 years worth of conversion are forgone. The direct impact is $175 million in output, $66 million in value added, $33 million in labor income and 2,174 full or part-time jobs. The total impact as the effect multiplies through the Nebraska economy is $218 million in output, $96 million in value added, $53 million in labor income and 2,661 full or part-time jobs.

2,661 full or part-time jobs and $53.0 million in property taxes.

Table 8
Impact of Declaration on Crop Production – Current Corn, Soybean and Land Values

		Output ($ million)	*Value Added* ($ million)	*Labor Income* ($ million)	Employment
First	Direct Impact	$8.8	$3.3	$1.7	109
Year	Total Impact	$10.9	$4.8	$2.7	133
20th	Direct Impact	$175	$66	$33	2,174
Year	Total Impact	$218	$96	$53	2,661

Because current land prices are higher than trended land prices, forgoing conversion translates into forgone increases in property values in the first year of $700,000. After 20 years, the loss is over $13 million in additional property tax revenues.

Table 9 below aggregates the economic impacts across sectors and shows the impact by year for twenty years. The first row shows that in the first year, the impact of the declaration on aggregate output in Nebraska will be $47 million. The aggregate impacts on value added and labor income will be $21 and $12 million, respectively; 348 full or part-time jobs will be forgone, as will $700,000 in property taxes.

Table 9
Aggregate Impact of Declaration – Current Corn, Soybean and Land Values

Year	Output ($ million)	Value Added ($ million)	Labor Income ($ million)	Employment	Property Tax Revenue ($ million)
1	$47	$21	$12	348	$0.7
2	$58	$26	$15	481	$1.4
3	$69	$30	$18	614	$2.1
4	$80	$35	$20	747	$2.8
5	$91	$40	$23	880	$3.4
6	$102	$45	$26	1,013	$4.1
7	$113	$50	$28	1,146	$4.8
8	$124	$55	$31	1,279	$5.5
9	$135	$59	$34	1,412	$6.2
10	$146	$64	$36	1,545	$6.9
11	$156	$69	$39	1,678	$7.6
12	$167	$74	$42	1,811	$8.3
13	$178	$79	$44	1,944	$8.9
14	$189	$83	$47	2,077	$9.6
15	$200	$88	$50	2,210	$10.3
16	$211	$93	$52	2,343	$11.0
17	$222	$98	$55	2,476	$11.7
18	$233	$103	$57	2,609	$12.4
19	$244	$107	$60	2,742	$13.1
20	$255	$112	$63	2,875	$13.8

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25

Table 9 shows that in the second year, the impacts grow as another year's worth of cropland is not converted to irrigation. Ten years out, the impact on output is $146 million; 1,545 full or part-time jobs and $6.9 million in property taxes are forgone. Twenty years out, the impact on output is $255 million; 2,875 full or part-time jobs and $13.8 million in property taxes are forgone.

Table 10 on the next page shows the present discounted value of the aggregate economic benefit from agriculture by delaying the declaration any number of years. The first row in Table 10 shows the benefit, right now, of delaying the declaration for one year. That benefit includes $47 million in output, $21 million in value added, $12 million in labor income, 348 full or part-time jobs, and $700,000 in property taxes. The row for year 10 shows that by delaying the declaration for ten years, the current value of the benefit derived over those ten years includes $679 million in output, $299 million in value added, $172 million in labor income, 1,545 full or part-time jobs, and $25.6 million in property taxes. The last row of Table 10 shows the present discounted value of the impacts aggregated over twenty years includes over $1.4 billion in output, $635 million in value added, $360 in labor income, 2,875 full or part-time jobs and $64.8 million in property taxes.

26

Table 10
Present Discounted Value of Economic Impact over a Number of Years
Current Corn, Soybean and Land Values

Year	*Output* ($ million)	*Value Added* ($ million)	*Labor Income* ($ million)	Employment	*Property Tax Revenue* ($ million)
1	$47	$21	$12	348	$0.7
2	$102	$45	$26	481	$2.0
3	$162	$71	$42	614	$3.8
4	$227	$100	$59	747	$6.0
5	$297	$131	$76	880	$8.6
6	$369	$163	$94	1,013	$11.6
7	$445	$196	$113	1,146	$14.8
8	$522	$230	$133	1,279	$18.2
9	$600	$264	$152	1,412	$21.8
10	$679	$299	$172	1,545	$25.6
11	$759	$334	$192	1,678	$29.4
12	$838	$369	$211	1,811	$33.3
13	$917	$404	$231	1,944	$37.3
14	$996	$439	$250	2,077	$41.3
15	$1,073	$473	$270	2,210	$45.3
16	$1,150	$507	$289	2,343	$49.3
17	$1,225	$540	$307	2,476	$53.2
18	$1,299	$572	$325	2,609	$57.2
19	$1,371	$604	$343	2,742	$61.0
20	$1,441	$635	$360	2,875	$64.8

Once a declaration occurs, many – but not all – of the benefits would continue to accrue to the Nebraska economy. The pivot and well drilling industry would suffer an impact anytime a declaration occurs. Total output through the Nebraska economy would be reduced by $36.4 million annually and 215 full or part-time jobs would be lost in rural communities. However, the gains from agricultural production would remain as converted cropland would continue to be center pivot irrigated.

Appendix A

Natural Resource Districts and Counties in the Lower Platte River Basin

NRD	County	NRD	County
Upper Loup	Cherry	Lower Elkhorn	Pierce
	Grant		Wayne
	Hooker		Thurston
	Thomas		Madison
	Blaine		Stanton
	Logan		Cuming
Upper Elkhorn	Rock		Burt
	Holt		Dodge
	Antelope		Washington
Lower Loup	Loup	Lower Platte North	Platte
	Garfield		Colfax
	Wheeler		Butler
	Custer		Saunders
	Valley		Douglas
	Greeley		Sarpy
	Sherman	Lower Platte South	Cass
	Howard		Lancaster
	Boone		
	Nance		

Appendix B
Agricultural Production over 36 Counties in Lower Platte River Basin

Commodity	Practice	Year	Harvested Acres	Percent Annual Acres	Production Bushels	Yield Bushels/Acre
Wheat Winter All	Irrigated	2004	6,100	0.1%	370,400	61
Wheat Winter All	Non Irrigated Total	2004	51,300	0.6%	2,289,500	45
Wheat Winter All	Irrigated	2005	4,900	0.1%	332,500	68
Wheat Winter All	Non Irrigated Total	2005	54,500	0.7%	2,425,600	45
Wheat Winter All	Irrigated	2006	28,700	0.4%	1,970,400	69
Wheat Winter All	Non Irrigated Total	2006	53,100	0.7%	2,057,800	39
Wheat Winter All	Irrigated	2007	42,500	0.5%	2,242,800	53
Wheat Winter All	Non Irrigated Total	2007	65,000	0.8%	2,663,700	41
Wheat All	Irrigated	2004	6,100	0.1%	370,400	61
Wheat All	Non Irrigated Total	2004	51,300	0.6%	2,289,500	45
Wheat All	Irrigated	2005	4,900	0.1%	332,500	68
Wheat All	Non Irrigated Total	2005	54,500	0.7%	2,425,600	45
Wheat All	Irrigated	2006	28,700	0.4%	1,970,400	69
Wheat All	Non Irrigated Total	2006	53,100	0.7%	2,057,800	39
Wheat All	Irrigated	2007	42,500	0.5%	2,242,800	53
Wheat All	Non Irrigated Total	2007	65,000	0.8%	2,663,700	41
Corn For Grain	Irrigated	2004	1,488,100	18.6%	277,982,100	187
Corn For Grain	Non Irrigated Total	2004	1,471,600	18.4%	211,911,700	144
Corn For Grain	Irrigated	2005	1,526,500	19.0%	279,205,300	183
Corn For Grain	Non Irrigated Total	2005	1,495,300	18.6%	177,608,300	119
Corn For Grain	Irrigated	2006	1,473,800	18.4%	271,469,900	184
Corn For Grain	Non Irrigated Total	2006	1,385,100	17.3%	157,235,700	114

Appendix B continued

Agricultural Production over 36 Counties in Lower Platte River Basin

Commodity	Practice	Year	Harvested Acres	Percent Annual Acres	Production Bushels	Yield Bushels/Acre
Corn For Grain	Irrigated	2007	1,774,600	22.4%	317,489,400	179
Corn For Grain	Non Irrigated Total	2007	1,533,800	19.3%	207,403,500	135
Corn For Silage	Irrigated	2004	40,600	0.5%	874,600	22
Corn For Silage	Non Irrigated Total	2004	41,300	0.5%	498,950	12
Corn For Silage	Irrigated	2005	35,500	0.4%	711,300	20
Corn For Silage	Non Irrigated Total	2005	37,300	0.5%	412,000	11
Corn For Silage	Irrigated	2006	56,600	0.7%	1,106,000	20
Corn For Silage	Non Irrigated Total	2006	53,000	0.7%	560,000	11
Corn For Silage	Irrigated	2007	31,000	0.4%	598,700	19
Corn For Silage	Non Irrigated Total	2007	20,200	0.3%	284,900	14
Oats	Total For Crop	2004	17,800	0.2%	1,294,700	73
Oats	Total For Crop	2005	19,400	0.2%	1,371,600	71
Oats	Total For Crop	2006	11,700	0.1%	559,700	48
Oats	Total For Crop	2007	10,500	0.1%	754,700	72
Sorghum For Grain	Irrigated	2004	1,300	0.0%	135,400	104
Sorghum For Grain	Non Irrigated Total	2004	14,500	0.2%	1,259,300	87
Sorghum For Grain	Irrigated	2005	0	0.0%	0	0
Sorghum For Grain	Non Irrigated Total	2005	8,200	0.1%	695,400	85
Sorghum For Grain	Irrigated	2006	1,200	0.0%	124,200	104
Sorghum For Grain	Non Irrigated Total	2006	9,400	0.1%	746,900	79

[illegible] center pivot irrigated.

Appendix B continued
Agricultural Production over 36 Counties in Lower Platte River Basin

Commodity	Practice	Year	Harvested Acres	Percent Annual Acres	Production Bushels	Yield Bushels/Acre
Sorghum For Grain	Irrigated	2007	0	0.0%	0	0
Sorghum For Grain	Non Irrigated Total	2007	2,700	0.0%	256,500	95
Soybeans	Irrigated	2004	790,600	9.9%	40,364,800	51
Soybeans	Non Irrigated Total	2004	1,312,400	16.4%	52,519,000	40
Soybeans	Irrigated	2005	799,100	9.9%	45,023,900	56
Soybeans	Non Irrigated Total	2005	1,272,800	15.8%	54,848,000	43
Soybeans	Irrigated	2006	856,700	10.7%	49,026,000	57
Soybeans	Non Irrigated Total	2006	1,313,700	16.4%	58,595,800	45
Soybeans	Irrigated	2007	584,100	7.4%	31,009,900	53
Soybeans	Non Irrigated Total	2007	1,156,100	14.6%	56,831,100	49
Sunflower Seed For Oil	Total For Crop	2004	0	0.0%	0	0
Sunflower Seed For Oil	Total For Crop	2005	2,300	0.0%	4,976,000	2,163
Sunflower Seed For Oil	Total For Crop	2006	600	0.0%	780,000	1,300
Sunflower Seed For Oil	Total For Crop	2007	0	0.0%	0	0
Beans Pinto	Irrigated	2004	0	0.0%	0	0
Beans Pinto	Irrigated	2005	2,000	0.0%	40,000	20
Beans Pinto	Irrigated	2006	2,400	0.0%	63,960	27
Beans Pinto	Irrigated	2007	1,800	0.0%	45,000	25
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Appendix B continued
Agricultural Production over 36 Counties in Lower Platte River Basin

Commodity	Practice	Year	Harvested Acres	Percent Annual Acres	Production Bushels	Yield Bushels/Acre
Beans Dry Edible	Irrigated	2005	12,700	0.2%	249,200	20
Beans Dry Edible	Irrigated	2006	6,200	0.1%	138,850	22
Beans Dry Edible	Irrigated	2007	8,100	0.1%	179,750	22
Hay Alfalfa (Dry)	Irrigated	2004	139,800	1.7%	676,180	5
Hay Alfalfa (Dry)	Non Irrigated Total	2004	350,700	4.4%	1,099,420	3
Hay Alfalfa (Dry)	Irrigated	2005	130,600	1.6%	627,420	5
Hay Alfalfa (Dry)	Non Irrigated Total	2005	346,800	4.3%	1,127,980	3
Hay Alfalfa (Dry)	Irrigated	2006	135,500	1.7%	629,910	5
Hay Alfalfa (Dry)	Non Irrigated Total	2006	345,700	4.3%	982,210	3
Hay Alfalfa (Dry)	Irrigated	2007	124,800	1.6%	578,930	5
Hay Alfalfa (Dry)	Non Irrigated Total	2007	285,300	3.6%	965,380	3
Hay Other (Dry)	Total For Crop	2004	866,600	10.8%	981,070	1
Hay Other (Dry)	Total For Crop	2005	880,000	10.9%	1,210,030	1
Hay Other (Dry)	Total For Crop	2006	851,000	10.6%	782,650	1
Hay Other (Dry)	Total For Crop	2007	868,900	11.0%	1,121,310	1
Hay All (Dry)	Total For Crop	2004	1,358,900	17.0%	2,763,230	2
Hay All (Dry)	Total For Crop	2005	1,359,500	16.9%	2,974,450	2
Hay All (Dry)	Total For Crop	2006	1,334,700	16.7%	2,405,920	2
Hay All (Dry)	Total For Crop	2007	1,314,200	16.6%	2,791,060	2

32

Appendix C
Corn Prices per Bushel

Year	Month	Market Price	Linear Trend	Year	Month	Market Price	Linear Trend
1978	1	$2.02	$2.34	1980	11	$3.34	$2.37
	2	$2.03	$2.34		12	$3.30	$2.37
	3	$2.14	$2.34	1981	1	$3.29	$2.37
	4	$2.25	$2.34		2	$3.18	$2.37
	5	$2.34	$2.34		3	$3.17	$2.37
	6	$2.33	$2.34		4	$3.24	$2.37
	7	$2.13	$2.34		5	$3.24	$2.37
	8	$1.98	$2.34		6	$3.19	$2.37
	9	$1.95	$2.34		7	$3.15	$2.37
	10	$2.05	$2.35		8	$2.79	$2.37
	11	$2.04	$2.35		9	$2.51	$2.37
	12	$2.09	$2.35		10	$2.44	$2.37
1979	1	$2.12	$2.35		11	$2.39	$2.38
	2	$2.13	$2.35		12	$2.37	$2.38
	3	$2.17	$2.35	1982	1	$2.47	$2.38
	4	$2.26	$2.35		2	$2.45	$2.38
	5	$2.40	$2.35		3	$2.48	$2.38
	6	$2.59	$2.35		4	$2.61	$2.38
	7	$2.68	$2.35		5	$2.65	$2.38
	8	$2.45	$2.35		6	$2.65	$2.38
	9	$2.37	$2.35		7	$2.54	$2.38
	10	$2.37	$2.35		8	$2.23	$2.38
	11	$2.32	$2.36		9	$2.23	$2.38
	12	$2.36	$2.36		10	$2.12	$2.38
1980	1	$2.26	$2.36		11	$2.35	$2.38
	2	$2.33	$2.36		12	$2.37	$2.39
	3	$2.23	$2.36	1983	1	$2.42	$2.39
	4	$2.32	$2.36		2	$2.62	$2.39
	5	$2.43	$2.36		3	$2.82	$2.39
	6	$2.50	$2.36		4	$3.09	$2.39
	7	$2.81	$2.36		5	$3.10	$2.39
	8	$2.98	$2.36		6	$3.11	$2.39
	9	$3.01	$2.36		7	$3.18	$2.39

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	10	$3.16	$2.36		8	$3.39	$2.39
	11	$3.34	$2.37		9	$3.32	$2.39

Appendix C continued
Corn Prices per Bushel

Year	Month	Market Price	Linear Trend	Year	Month	Market Price	Linear Trend
1983	10	$3.23	$2.39	1986	9	$1.41	$2.42
	11	$3.24	$2.39		10	$1.40	$2.42
	12	$3.17	$2.40		11	$1.55	$2.42
1984	1	$3.11	$2.40		12	$1.54	$2.42
	2	$3.03	$2.40	1987	1	$1.44	$2.42
	3	$3.25	$2.40		2	$1.39	$2.43
	4	$3.33	$2.40		3	$1.47	$2.43
	5	$3.35	$2.40		4	$1.57	$2.43
	6	$3.37	$2.40		5	$1.76	$2.43
	7	$3.22	$2.40		6	$1.77	$2.43
	8	$3.11	$2.40		7	$1.59	$2.43
	9	$2.94	$2.40		8	$1.47	$2.43
	10	$2.71	$2.40		9	$1.51	$2.43
	11	$2.61	$2.40		10	$1.57	$2.43
	12	$2.55	$2.40		11	$1.68	$2.43
1985	1	$2.60	$2.41		12	$1.75	$2.43
	2	$2.61	$2.41	1988	1	$1.79	$2.43
	3	$2.68	$2.41		2	$1.84	$2.44
	4	$2.73	$2.41		3	$1.86	$2.44
	5	$2.68	$2.41		4	$1.87	$2.44
	6	$2.70	$2.41		5	$1.96	$2.44
	7	$2.61	$2.41		6	$2.64	$2.44
	8	$2.39	$2.41		7	$2.72	$2.44
	9	$2.35	$2.41		8	$2.55	$2.44
	10	$2.26	$2.41		9	$2.57	$2.44
	11	$2.28	$2.41		10	$2.61	$2.44
	12	$2.36	$2.41		11	$2.47	$2.44
1986	1	$2.33	$2.42		12	$2.54	$2.44
	2	$2.31	$2.42	1989	1	$2.57	$2.44
	3	$2.31	$2.42		2	$2.54	$2.44
	4	$2.34	$2.42		3	$2.58	$2.45
	5	$2.43	$2.42		4	$2.38	$2.45
	6	$2.42	$2.42		5	$2.56	$2.45

34

	7	$2.01	$2.42		6	$2.48	$2.45
	8	$1.61	$2.42		7	$2.36	$2.45

Appendix C continued
Corn Prices per Bushel

Year	Month	Market Price	Linear Trend	Year	Month	Market Price	Linear Trend
1989	8	$2.22	$2.45	1992	7	$2.27	$2.48
	9	$2.22	$2.45		8	$2.10	$2.48
	10	$2.26	$2.45		9	$2.10	$2.48
	11	$2.28	$2.45		10	$1.99	$2.48
	12	$2.28	$2.45		11	$1.99	$2.48
1990	1	$2.25	$2.45		12	$1.98	$2.48
	2	$2.25	$2.45	1993	1	$2.01	$2.48
	3	$2.36	$2.46		2	$2.00	$2.48
	4	$2.56	$2.46		3	$2.12	$2.48
	5	$2.66	$2.46		4	$2.18	$2.48
	6	$2.68	$2.46		5	$2.17	$2.49
	7	$2.61	$2.46		6	$2.07	$2.49
	8	$2.46	$2.46		7	$2.29	$2.49
	9	$2.21	$2.46		8	$2.30	$2.49
	10	$2.12	$2.46		9	$2.25	$2.49
	11	$2.14	$2.46		10	$2.36	$2.49
	12	$2.22	$2.46		11	$2.66	$2.49
1991	1	$2.24	$2.46		12	$2.82	$2.49
	2	$2.28	$2.46	1994	1	$2.86	$2.49
	3	$2.38	$2.46		2	$2.84	$2.49
	4	$2.46	$2.47		3	$2.72	$2.49
	5	$2.39	$2.47		4	$2.58	$2.49
	6	$2.33	$2.47		5	$2.62	$2.50
	7	$2.29	$2.47		6	$2.64	$2.50
	8	$2.34	$2.47		7	$2.23	$2.50
	9	$2.34	$2.47		8	$2.19	$2.50
	10	$2.30	$2.47		9	$2.11	$2.50
	11	$2.29	$2.47		10	$1.97	$2.50
	12	$2.32	$2.47		11	$1.98	$2.50
1992	1	$2.37	$2.47		12	$2.13	$2.50
	2	$2.44	$2.47	1995	1	$2.14	$2.50
	3	$2.52	$2.47		2	$2.19	$2.50
	4	$2.43	$2.48		3	$2.32	$2.50

	5	$2.46	$2.48		4	$2.46	$2.50
	6	$2.48	$2.48		5	$2.50	$2.50

Appendix C continued
Corn Prices per Bushel

Year	Month	Market Price	Linear Trend	Year	Month	Market Price	Linear Trend
1995	6	$2.66	$2.51	1998	5	$2.33	$2.53
	7	$2.79	$2.51		6	$2.26	$2.53
	8	$2.71	$2.51		7	$2.06	$2.54
	9	$2.81	$2.51		8	$1.76	$2.54
	10	$2.95	$2.51		9	$1.68	$2.54
	11	$3.10	$2.51		10	$1.82	$2.54
	12	$3.26	$2.51		11	$1.96	$2.54
1996	1	$3.37	$2.51		12	$1.95	$2.54
	2	$3.63	$2.51	1999	1	$1.96	$2.54
	3	$3.83	$2.51		2	$1.96	$2.54
	4	$4.41	$2.51		3	$2.00	$2.54
	5	$4.83	$2.51		4	$1.96	$2.54
	6	$4.76	$2.52		5	$1.97	$2.54
	7	$4.76	$2.52		6	$1.95	$2.54
	8	$4.69	$2.52		7	$1.66	$2.55
	9	$3.50	$2.52		8	$1.70	$2.55
	10	$2.79	$2.52		9	$1.63	$2.55
	11	$2.56	$2.52		10	$1.62	$2.55
	12	$2.54	$2.52		11	$1.72	$2.55
1997	1	$2.55	$2.52		12	$1.77	$2.55
	2	$2.65	$2.52	2000	1	$1.88	$2.55
	3	$2.83	$2.52		2	$1.94	$2.55
	4	$2.80	$2.52		3	$2.03	$2.55
	5	$2.71	$2.52		4	$2.04	$2.55
	6	$2.57	$2.53		5	$2.12	$2.55
	7	$2.39	$2.53		6	$1.84	$2.55
	8	$2.45	$2.53		7	$1.49	$2.55
	9	$2.46	$2.53		8	$1.46	$2.56
	10	$2.51	$2.53		9	$1.52	$2.56
	11	$2.55	$2.53		10	$1.77	$2.56
	12	$2.43	$2.53		11	$1.92	$2.56
1998	1	$2.51	$2.53		12	$1.96	$2.56
	2	$2.56	$2.53	2001	1	$1.94	$2.56

36

	3	$2.52	$2.53		2	$1.89	$2.56
	4	$2.38	$2.53		3	$1.91	$2.56

Appendix C continued
Corn Prices per Bushel

Year	Month	Market Price	Linear Trend	Year	Month	Market Price	Linear Trend
2001	4	$1.85	$2.56	2004	3	$2.88	$2.59
	5	$1.74	$2.56		4	$2.97	$2.59
	6	$1.69	$2.56		5	$2.83	$2.59
	7	$1.84	$2.56		6	$2.72	$2.59
	8	$1.84	$2.57		7	$2.29	$2.59
	9	$1.86	$2.57		8	$2.21	$2.59
	10	$1.78	$2.57		9	$2.04	$2.59
	11	$1.87	$2.57		10	$1.75	$2.60
	12	$1.92	$2.57		11	$1.65	$2.60
2002	1	$1.90	$2.57		12	$1.74	$2.60
	2	$1.88	$2.57	2005	1	$1.75	$2.60
	3	$1.87	$2.57		2	$1.81	$2.60
	4	$1.83	$2.57		3	$1.88	$2.60
	5	$1.90	$2.57		4	$1.84	$2.60
	6	$1.96	$2.57		5	$1.85	$2.60
	7	$2.14	$2.57		6	$1.91	$2.60
	8	$2.50	$2.57		7	$1.96	$2.60
	9	$2.58	$2.58		8	$1.70	$2.60
	10	$2.40	$2.58		9	$1.57	$2.60
	11	$2.33	$2.58		10	$1.49	$2.61
	12	$2.27	$2.58		11	$1.49	$2.61
2003	1	$2.26	$2.58		12	$1.85	$2.61
	2	$2.30	$2.58	2006	1	$1.88	$2.61
	3	$2.27	$2.58		2	$1.93	$2.61
	4	$2.32	$2.58		3	$1.91	$2.61
	5	$2.34	$2.58		4	$2.08	$2.61
	6	$2.29	$2.58		5	$2.11	$2.61
	7	$2.05	$2.58		6	$2.05	$2.61
	8	$2.11	$2.58		7	$2.18	$2.61
	9	$2.19	$2.59		8	$2.04	$2.61
	10	$2.11	$2.59		9	$2.11	$2.61
	11	$2.27	$2.59		10	$2.79	$2.61
	12	$2.38	$2.59		11	$3.29	$2.62

2004	1	$2.49	$2.59		12	$3.40	$2.62
	2	$2.68	$2.59	2007	1	$3.64	$2.62

Appendix C continued
Corn Prices per Bushel

Year	Month	Market Price	Linear Trend	Year	Month	Market Price	Linear Trend
2007	2	$3.90	$2.62	2008	1	$4.64	$2.63
	3	$3.80	$2.62		2	$4.93	$2.63
	4	$3.39	$2.62		3	$5.20	$2.63
	5	$3.55	$2.62		4	$5.62	$2.63
	6	$3.77	$2.62		5	$5.65	$2.63
	7	$3.15	$2.62		6	$6.64	$2.63
	8	$3.18	$2.62		7	$5.95	$2.63
	9	$3.17	$2.62		8	$5.25	$2.63
	10	$3.20	$2.62		9	$5.24	$2.63
	11	$3.72	$2.63		10	$4.01	$2.63
	12	$4.11	$2.63		11	$3.70	$2.63
					12	$3.56	$2.64

Appendix D

Soybean Prices per Bushel

Year	Month	Market Price	Linear Trend	Year	Month	Market Price	Linear Trend
1978	1	$5.75	$5.99	1980	12	$7.80	$6.04
	2	$5.53	$5.99	1981	1	$7.80	$6.04
	3	$6.20	$5.99		2	$7.50	$6.04
	4	$6.49	$5.99		3	$7.59	$6.04
	5	$6.77	$5.99		4	$7.60	$6.04
	6	$6.69	$5.99		5	$7.40	$6.05
	7	$6.40	$6.00		6	$7.05	$6.05
	8	$6.21	$6.00		7	$7.13	$6.05
	9	$6.20	$6.00		8	$6.71	$6.05
	10	$6.26	$6.00		9	$6.21	$6.05
	11	$6.41	$6.00		10	$6.06	$6.05
	12	$6.49	$6.00		11	$6.04	$6.06
1979	1	$6.58	$6.00		12	$6.00	$6.06
	2	$6.99	$6.01	1982	1	$6.13	$6.06
	3	$7.16	$6.01		2	$6.04	$6.06
	4	$7.06	$6.01		3	$5.99	$6.06
	5	$7.06	$6.01		4	$6.17	$6.06
	6	$7.36	$6.01		5	$6.27	$6.06
	7	$7.36	$6.01		6	$6.12	$6.07
	8	$7.07	$6.01		7	$5.99	$6.07
	9	$6.81	$6.02		8	$5.59	$6.07
	10	$6.35	$6.02		9	$5.22	$6.07
	11	$6.30	$6.02		10	$5.06	$6.07
	12	$6.27	$6.02		11	$5.34	$6.07
1980	1	$6.39	$6.02		12	$5.46	$6.07
	2	$6.20	$6.02	1983	1	$5.56	$6.08
	3	$5.94	$6.03		2	$5.66	$6.08
	4	$5.63	$6.03		3	$5.82	$6.08
	5	$5.76	$6.03		4	$6.09	$6.08
	6	$5.91	$6.03		5	$6.06	$6.08
	7	$6.75	$6.03		6	$5.90	$6.08
	8	$7.18	$6.03		7	$6.27	$6.09
	9	$7.59	$6.03		8	$7.57	$6.09

	10	$7.68	$6.04		9	$8.28	$6.09
	11	$8.18	$6.04		10	$7.96	$6.09

Appendix D
Soybean Prices per Bushel

Year	Month	Market Price	Linear Trend	Year	Month	Market Price	Linear Trend
1982	11	$7.81	$6.09	1986	10	$4.55	$6.14
	12	$7.75	$6.09		11	$4.64	$6.14
1984	1	$7.85	$6.09		12	$4.67	$6.15
	2	$7.28	$6.10	1987	1	$4.70	$6.15
	3	$7.68	$6.10		2	$4.69	$6.15
	4	$7.83	$6.10		3	$4.73	$6.15
	5	$8.12	$6.10		4	$4.90	$6.15
	6	$7.99	$6.10		5	$5.20	$6.15
	7	$6.95	$6.10		6	$5.36	$6.16
	8	$6.50	$6.10		7	$5.25	$6.16
	9	$6.09	$6.11		8	$5.02	$6.16
	10	$6.07	$6.11		9	$5.02	$6.16
	11	$6.01	$6.11		10	$5.04	$6.16
	12	$5.82	$6.11		11	$5.36	$6.16
1985	1	$5.91	$6.11		12	$5.63	$6.16
	2	$5.77	$6.11	1988	1	$5.73	$6.17
	3	$5.88	$6.11		2	$5.96	$6.17
	4	$5.88	$6.12		3	$6.05	$6.17
	5	$5.70	$6.12		4	$6.39	$6.17
	6	$5.62	$6.12		5	$6.98	$6.17
	7	$5.42	$6.12		6	$8.18	$6.17
	8	$5.10	$6.12		7	$8.50	$6.17
	9	$4.99	$6.12		8	$8.33	$6.18
	10	$4.85	$6.13		9	$7.93	$6.18
	11	$4.92	$6.13		10	$7.53	$6.18
	12	$5.01	$6.13		11	$7.43	$6.18
1986	1	$5.16	$6.13		12	$7.53	$6.18
	2	$5.18	$6.13	1989	1	$7.69	$6.18
	3	$5.23	$6.13		2	$7.41	$6.19
	4	$5.23	$6.13		3	$7.51	$6.19
	5	$5.25	$6.14		4	$7.29	$6.19
	6	$5.19	$6.14		5	$7.20	$6.19
	7	$5.11	$6.14		6	$7.05	$6.19

40

	8	$4.99	$6.14		7	$6.83	$6.19
	9	$4.85	$6.14		8	$6.07	$6.19

Appendix D continued

Soybean Prices per Bushel

Year	Month	Market Price	Linear Trend	Year	Month	Market Price	Linear Trend
1989	9	$5.70	$6.20	1992	8	$5.40	$6.25
	10	$5.55	$6.20		9	$5.36	$6.25
	11	$5.66	$6.20		10	$5.26	$6.25
	12	$5.64	$6.20		11	$5.36	$6.25
1990	1	$5.65	$6.20		12	$5.46	$6.25
	2	$5.56	$6.20	1993	1	$5.58	$6.26
	3	$5.65	$6.20		2	$5.56	$6.26
	4	$5.82	$6.21		3	$5.65	$6.26
	5	$5.97	$6.21		4	$5.73	$6.26
	6	$5.88	$6.21		5	$5.81	$6.26
	7	$5.97	$6.21		6	$5.90	$6.26
	8	$6.00	$6.21		7	$6.56	$6.26
	9	$5.99	$6.21		8	$6.21	$6.27
	10	$5.88	$6.22		9	$6.21	$6.27
	11	$5.78	$6.22		10	$6.01	$6.27
	12	$5.72	$6.22		11	$6.32	$6.27
1991	1	$5.71	$6.22		12	$6.64	$6.27
	2	$5.65	$6.22	1994	1	$6.72	$6.27
	3	$5.76	$6.22		2	$6.71	$6.28
	4	$5.77	$6.22		3	$6.73	$6.28
	5	$5.67	$6.23		4	$6.57	$6.28
	6	$5.56	$6.23		5	$6.77	$6.28
	7	$5.36	$6.23		6	$6.72	$6.28
	8	$5.66	$6.23		7	$5.92	$6.28
	9	$5.64	$6.23		8	$5.58	$6.28
	10	$5.48	$6.23		9	$5.47	$6.29
	11	$5.48	$6.23		10	$5.30	$6.29
	12	$5.45	$6.24		11	$5.36	$6.29
1992	1	$5.54	$6.24		12	$5.41	$6.29
	2	$5.59	$6.24	1995	1	$5.47	$6.29
	3	$5.67	$6.24		2	$5.40	$6.29
	4	$5.66	$6.24		3	$5.51	$6.29
	5	$5.87	$6.24		4	$5.55	$6.30

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	6	$5.94	$6.25		5	$5.56	$6.30
	7	$5.59	$6.25		6	$5.68	$6.30

Appendix D continued
Soybean Prices per Bushel

Year	Month	Market Price	Linear Trend	Year	Month	Market Price	Linear Trend
1995	7	$5.90	$6.30	1998	6	$6.16	$6.35
	8	$5.83	$6.30		7	$6.14	$6.35
	9	$5.98	$6.30		8	$5.43	$6.36
	10	$6.16	$6.31		9	$5.25	$6.36
	11	$6.40	$6.31		10	$5.18	$6.36
	12	$6.76	$6.31		11	$5.39	$6.36
1996	1	$6.78	$6.31		12	$5.37	$6.36
	2	$7.00	$6.31	1999	1	$5.32	$6.36
	3	$7.00	$6.31		2	$4.80	$6.37
	4	$7.43	$6.31		3	$4.61	$6.37
	5	$7.69	$6.32		4	$4.63	$6.37
	6	$7.41	$6.32		5	$4.50	$6.37
	7	$7.62	$6.32		6	$4.44	$6.37
	8	$7.82	$6.32		7	$4.19	$6.37
	9	$7.79	$6.32		8	$4.39	$6.37
	10	$6.94	$6.32		9	$4.57	$6.38
	11	$6.90	$6.32		10	$4.48	$6.38
	12	$6.91	$6.33		11	$4.45	$6.38
1997	1	$7.13	$6.33		12	$4.43	$6.38
	2	$7.38	$6.33	2000	1	$4.62	$6.38
	3	$7.97	$6.33		2	$4.79	$6.38
	4	$8.23	$6.33		3	$4.91	$6.38
	5	$8.40	$6.33		4	$5.00	$6.39
	6	$8.16	$6.34		5	$5.19	$6.39
	7	$7.52	$6.34		6	$4.93	$6.39
	8	$7.25	$6.34		7	$4.53	$6.39
	9	$6.72	$6.34		8	$4.45	$6.39
	10	$6.49	$6.34		9	$4.59	$6.39
	11	$6.86	$6.34		10	$4.45	$6.40
	12	$6.72	$6.34		11	$4.55	$6.40
1998	1	$6.69	$6.35		12	$4.78	$6.40
	2	$6.57	$6.35	2001	1	$4.68	$6.40
	3	$6.40	$6.35		2	$4.46	$6.40

42

	4	$6.26	$6.35		3	$4.39	$6.40
	5	$6.26	$6.35		4	$4.22	$6.40

Appendix D continued
Soybean Prices per Bushel

Year	Month	Market Price	Linear Trend	Year	Month	Market Price	Linear Trend
2001	5	$4.33	$6.41	2004	4	$9.62	$6.46
	6	$4.46	$6.41		5	$9.56	$6.46
	7	$4.79	$6.41		6	$9.08	$6.46
	8	$4.85	$6.41		7	$8.46	$6.46
	9	$4.53	$6.41		8	$6.83	$6.46
	10	$4.09	$6.41		9	$5.53	$6.47
	11	$4.16	$6.41		10	$5.56	$6.47
	12	$4.20	$6.42		11	$5.36	$6.47
2002	1	$4.22	$6.42		12	$5.45	$6.47
	2	$4.22	$6.42	2005	1	$5.57	$6.47
	3	$4.38	$6.42		2	$5.42	$6.47
	4	$4.47	$6.42		3	$5.95	$6.47
	5	$4.64	$6.42		4	$6.03	$6.48
	6	$4.88	$6.42		5	$6.21	$6.48
	7	$5.35	$6.43		6	$6.58	$6.48
	8	$5.53	$6.43		7	$6.65	$6.48
	9	$5.39	$6.43		8	$6.15	$6.48
	10	$5.20	$6.43		9	$5.77	$6.48
	11	$5.46	$6.43		10	$5.67	$6.48
	12	$5.46	$6.43		11	$5.62	$6.49
2003	1	$5.51	$6.44		12	$5.78	$6.49
	2	$5.55	$6.44	2006	1	$5.87	$6.49
	3	$5.59	$6.44		2	$5.67	$6.49
	4	$5.82	$6.44		3	$5.57	$6.49
	5	$6.07	$6.44		4	$5.52	$6.49
	6	$6.09	$6.44		5	$5.68	$6.50
	7	$5.83	$6.44		6	$5.62	$6.50
	8	$5.68	$6.45		7	$5.61	$6.50
	9	$6.06	$6.45		8	$5.23	$6.50
	10	$6.60	$6.45		9	$5.24	$6.50
	11	$7.05	$6.45		10	$5.52	$6.50
	12	$7.17	$6.45		11	$6.08	$6.50
2004	1	$7.35	$6.45		12	$6.18	$6.51

	2	$8.28	$6.45	2007	1	$6.37	$6.51
	3	$9.28	$6.46		2	$6.87	$6.51

Appendix D continued
Soybean Prices per Bushel

Year	Month	Market Price	Linear Trend	Year	Month	Market Price	Linear Trend
2007	3	$6.95	$6.51	2008	1	$9.96	$6.53
	4	$6.88	$6.51		2	$11.70	$6.53
	5	$7.12	$6.51		3	$11.50	$6.53
	6	$7.51	$6.51		4	$12.00	$6.53
	7	$7.56	$6.52		5	$12.10	$6.53
	8	$7.72	$6.52		6	$13.20	$6.53
	9	$8.18	$6.52		7	$13.30	$6.53
	10	$8.36	$6.52		8	$12.80	$6.54
	11	$9.41	$6.52		9	$10.70	$6.54
	12	$10.00	$6.52		10	$9.94	$6.54
					11	$9.38	$6.54
					12	$9.24	$6.54

Appendix E

Land Prices Center Pivot Irrigated Cropland

Year	North	NE	Central	East	Market Average Value	Linear Trend
1978	$678	$956	$877	$1,484	$999	$701
1979	$770	$1,164	$1,076	$1,690	$1,175	$751
1980	$886	$1,372	$1,223	$2,043	$1,381	$800
1981	$816	$1,456	$1,312	$2,110	$1,424	$850
1982	$810	$1,332	$1,270	$2,010	$1,356	$899
1983	$769	$1,217	$1,016	$1,727	$1,182	$949
1984	$698	$1,130	$969	$1,655	$1,113	$999
1985	$581	$875	$850	$1,243	$887	$1,048
1986	$400	$700	$628	$970	$675	$1,098
1987	$396	$703	$541	$888	$632	$1,148
1988	$441	$800	$622	$1,038	$725	$1,197
1989	$604	$993	$779	$1,320	$924	$1,247
1990	$710	$1,090	$910	$1,393	$1,026	$1,296
1991	$714	$1,129	$1,053	$1,461	$1,089	$1,346
1992	$740	$1,084	$1,085	$1,510	$1,105	$1,396
1993	$745	$1,156	$1,160	$1,593	$1,164	$1,445
1994	$800	$1,215	$1,200	$1,707	$1,231	$1,495
1995	$825	$1,254	$1,268	$1,793	$1,285	$1,545
1996	$913	$1,320	$1,340	$1,930	$1,376	$1,594
1997	$962	$1,427	$1,507	$2,111	$1,502	$1,644
1998	$1,020	$1,583	$1,698	$2,332	$1,658	$1,693
1999	$984	$1,581	$1,616	$2,288	$1,617	$1,743
2000	$981	$1,609	$1,579	$2,424	$1,648	$1,793
2001	$965	$1,653	$1,602	$2,420	$1,660	$1,842
2002	$1,043	$1,775	$1,693	$2,401	$1,728	$1,892
2003	$1,075	$1,840	$1,785	$2,460	$1,790	$1,942
2004	$1,211	$2,004	$1,901	$2,669	$1,946	$1,991
2005	$1,342	$2,234	$2,140	$3,042	$2,190	$2,041
2006	$1,480	$2,600	$2,224	$2,353	$2,164	$2,090
2007	$1,733	$3,077	$2,521	$3,646	$2,744	$2,140
2008	$2,221	$3,871	$3,082	$4,464	$3,410	$2,190

	11	[illegible]	[illegible]		[illegible]	[illegible]
	12	[illegible]	[illegible]		[illegible]	[illegible]
2004	1	$7.35	$6.45		12	$6.18	$6.51

Appendix F

Land Prices Dryland Cropland (No Irrigation Potential)

Year	North	NE	Central	East	Market Average Value	Linear Trend
1978	$253	$648	$319	$817	$509	$403
1979	$319	$813	$397	$1,061	$648	$430
1980	$340	$920	$471	$1,296	$757	$456
1981	$346	$1,009	$519	$1,409	$821	$483
1982	$335	$966	$502	$1,325	$782	$509
1983	$321	$864	$450	$1,204	$710	$536
1984	$300	$779	$416	$1,129	$656	$563
1985	$237	$643	$340	$905	$531	$589
1986	$198	$499	$263	$669	$407	$616
1987	$190	$520	$246	$626	$396	$642
1988	$202	$576	$301	$692	$443	$669
1989	$250	$688	$370	$824	$533	$695
1990	$279	$728	$407	$877	$573	$722
1991	$279	$735	$463	$885	$591	$748
1992	$295	$700	$418	$955	$592	$775
1993	$288	$766	$486	$1,000	$635	$802
1994	$314	$797	$504	$1,090	$676	$828
1995	$320	$803	$519	$1,144	$697	$855
1996	$338	$823	$535	$1,244	$735	$881
1997	$363	$909	$588	$1,336	$799	$908
1998	$390	$982	$631	$1,477	$870	$934
1999	$367	$968	$635	$1,462	$858	$961
2000	$400	$970	$648	$1,464	$871	$987
2001	$403	$996	$645	$1,493	$884	$1,014
2002	$407	$1,095	$680	$1,523	$926	$1,040
2003	$360	$1,107	$710	$1,585	$941	$1,067
2004	$416	$1,231	$758	$1,717	$1,031	$1,094
2005	$447	$1,382	$847	$2,024	$1,175	$1,120
2006	$483	$1,641	$933	$2,276	$1,333	$1,147
2007	$558	$1,917	$1,056	$2,608	$1,535	$1,173
2008	$707	$2,482	$1,347	$3,203	$1,935	$1,200

46

Appendix G
County 2008 Effective Property Tax Rates

County	2008 Effective Tax Rate	County	2008 Effective Tax Rate
Antelope	1.5607	Lancaster	1.9921
Blaine	1.4659	Logan	1.6849
Boone	1.6824	Loup	1.5064
Burt	1.8291	Madison	1.8657
Butler	1.6882	Nance	1.7748
Cass	1.9952	Pierce	1.6780
Cherry	1.5975	Platte	1.6244
Colfax	1.7654	Rock	1.6479
Cuming	1.6717	Sarpy	2.1557
Custer	1.7783	Saunders	1.8928
Dodge	1.7829	Sherman	1.7088
Douglas	2.1307	Stanton	1.8434
Garfield	1.6894	Thomas	1.6882
Grant	1.4503	Thurston	1.9260
Greeley	1.6994	Valley	1.8530
Holt	1.6931	Washington	1.9094
Hooker	1.5647	Wayne	1.7406
Howard	1.7577	Wheeler	1.2959
		Average	1.7386

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47

Appendix H
IMPLAN Model Multipliers

The IMPLAN software breaks the economy into 509 sectors. It then models the interaction between the sectors to develop economic multipliers. A researcher can estimate the direct output effects in particular sectors of the economy. IMPLAN multipliers for those sectors then measure the impact that those direct output effects have as they ripple through the entire economy. Impacts are measured in terms of total output, value added, labor income and employment. Labor income includes income to workers and sole proprietor income. Employment includes both full time and part time jobs. We use state level multipliers in this analysis.

Pivot manufacturing is in the *farm machinery and equipment manufacturing* sector. Well drilling is in the *water and well drilling* sector. Pump manufacturing is in the *pump and pump equipment manufacturing* sector. For use in this analysis, the cost of a pump is broken into 80 percent for the wholesale cost and 20 percent for the gross margin. The selling of equipment and installation is in the *wholesale* sector. All direct economic activity occurs within Nebraska, except pump manufacturing, where only five percent occurs in Nebraska.

It is assumed that when dryland cropland is converted to irrigated cropland, production moves from soybeans to corn. Soybeans are in the *oilseed farming* sector. Corn is in the *grain farming* sector. IMPLAN economic multipliers for the grain sector include average annualized spending on agricultural machinery such as pivots and water well construction. We remove this annual spending (and associated multiplier effects) from the economic multiplier for the corn

48

sector. This step lowers the magnitude of the multipliers for the corn sector by approximately 15%. This step also means that we can separately present the economic impact of pivot and well investments without double-counting.

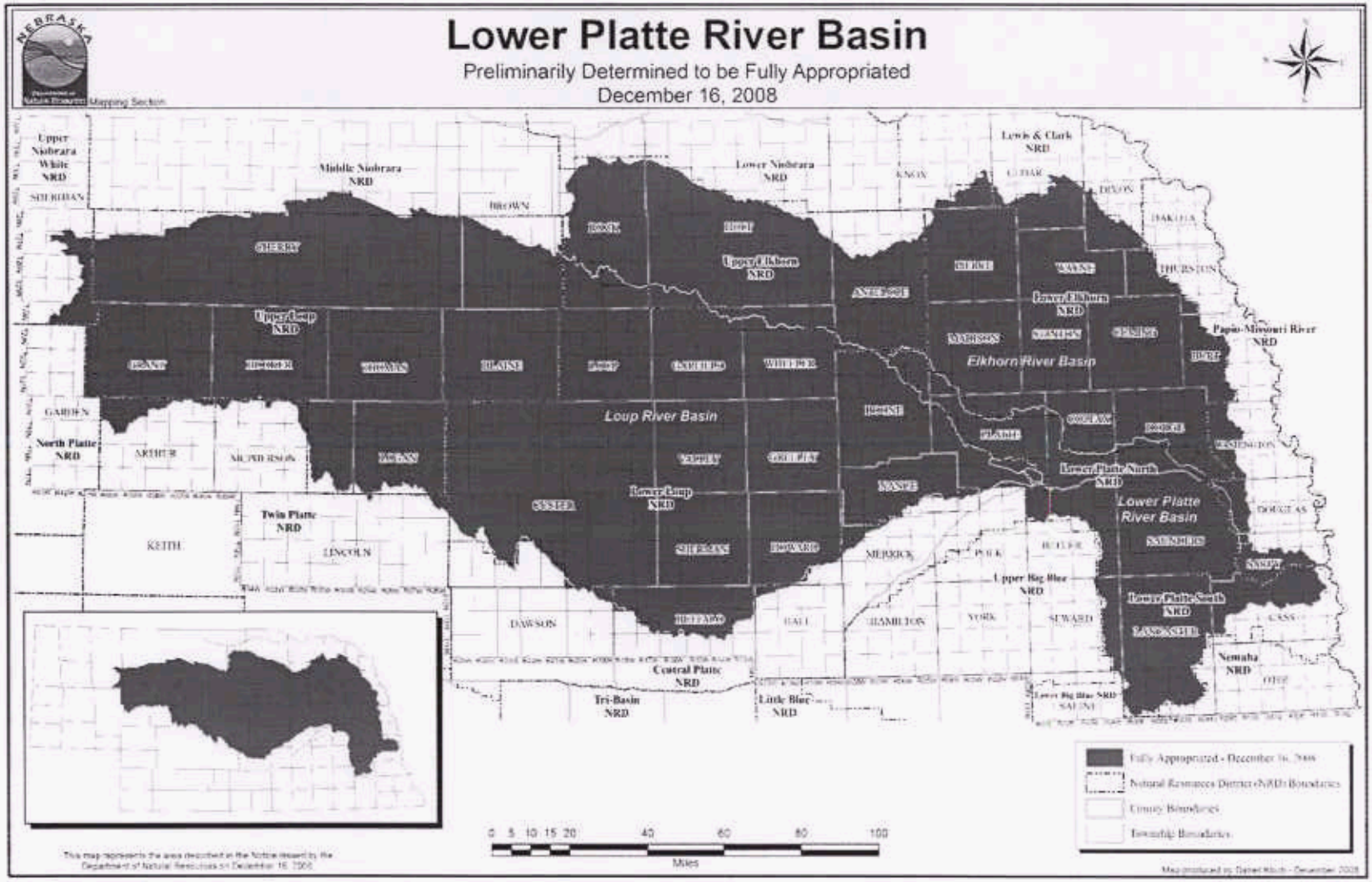

Figure 7-11 Area designated as fully appropriated within the Lower Platte River Basin.

LOWER PLATTE SOUTH
NATURAL RESOURCES DISTRICT

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(402) 476-2729 • FAX (402) 476-6454
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February 24, 2009

Director Dunnigan and the Nebraska Department of Natural Resources:

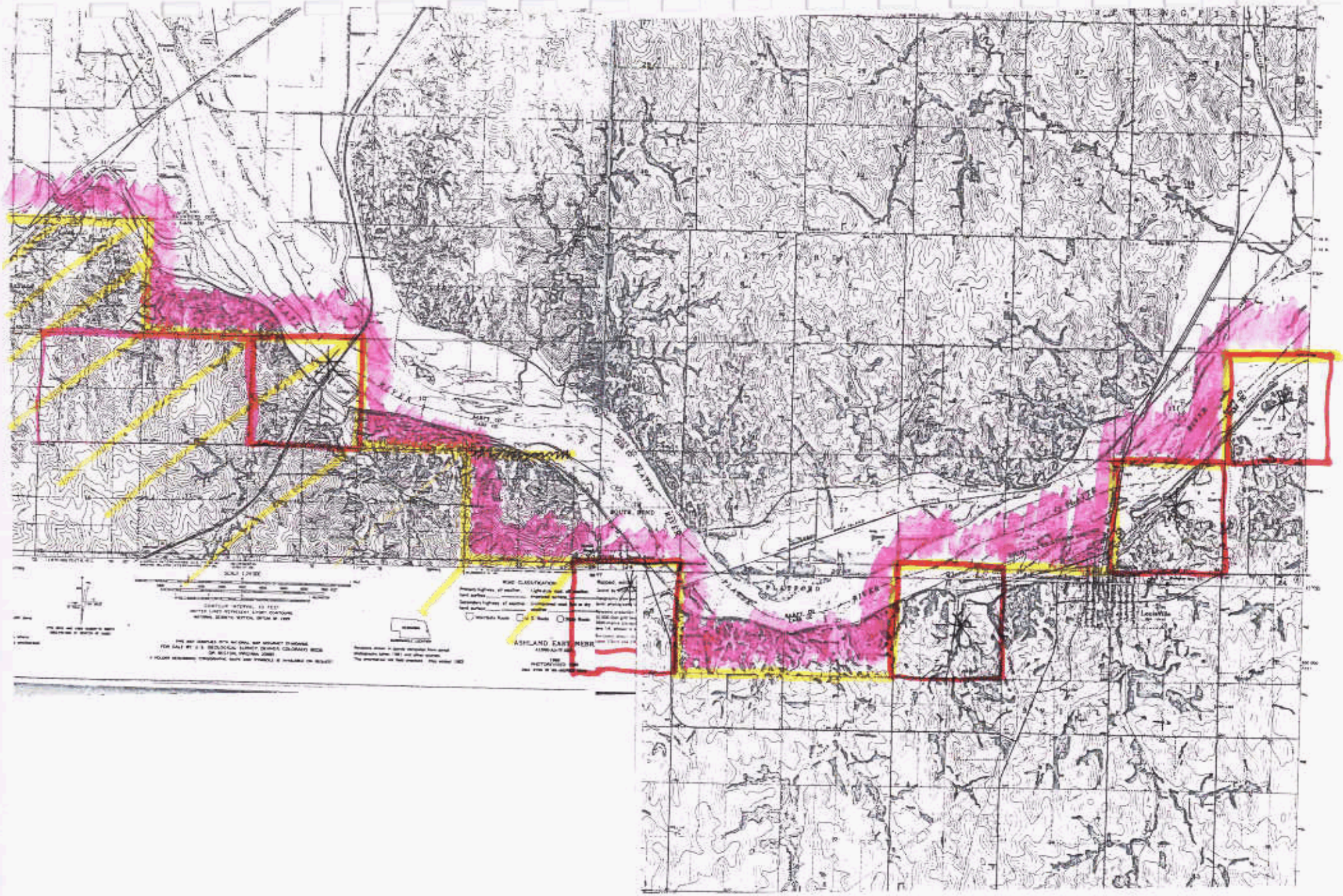
I am Glenn Johnson, General Manager of the Lower Platte South NRD in Lincoln, presenting testimony today in concerning the preliminary designation of the Lower Platte River Basin as fully-appropriated and the extent of the area where the surface water and ground water supplies are hydrologically connected.

The Lower Platte South NRD includes the south half of the Platte River from Ashland to Plattsmouth and the majority of our NRD is located in the Lower Platte River Basin. The District has always appreciated the significant and unique resource that is the Lower Platte River and understand its importance in providing water for fish, wildlife, agriculture, industry and people. The NRD has many programs and projects that benefit the quality and quantity of the Platte River.

The Lower Platte South NRD is participating in a review of NDNR's 2009 Annual Evaluation with several other NRDs in the Lower Platte Basin. Upon completion of this review we may provide additional testimony at the final hearing on March 12th.

We have reviewed the extent of the area in this NRD that has been identified as being hydrologically connected between surface water and ground water. The hydrologically connected areas seem reasonable with only a few exceptions. There does appear to be several instances in our NRD where the flow area of the Platte River extends outside the mapped hydrologically connected area. These areas are Sections 12, 14 & 21 of T-12-N, R-11-E and Sections 9 & 24, T-12-N, R-10-E. We believe that wells in these areas adjacent to the Platte River would be hydrologically connected to flows in the River. There is also one instance near Plattsmouth where a section of land (Section 12, T-12-N, R-12-E) that is river bluff land is included in the hydrologically connected area. We ask that you review your information and consider changing the hydrologically connected status of these areas.

We appreciate the opportunity to provide testimony.



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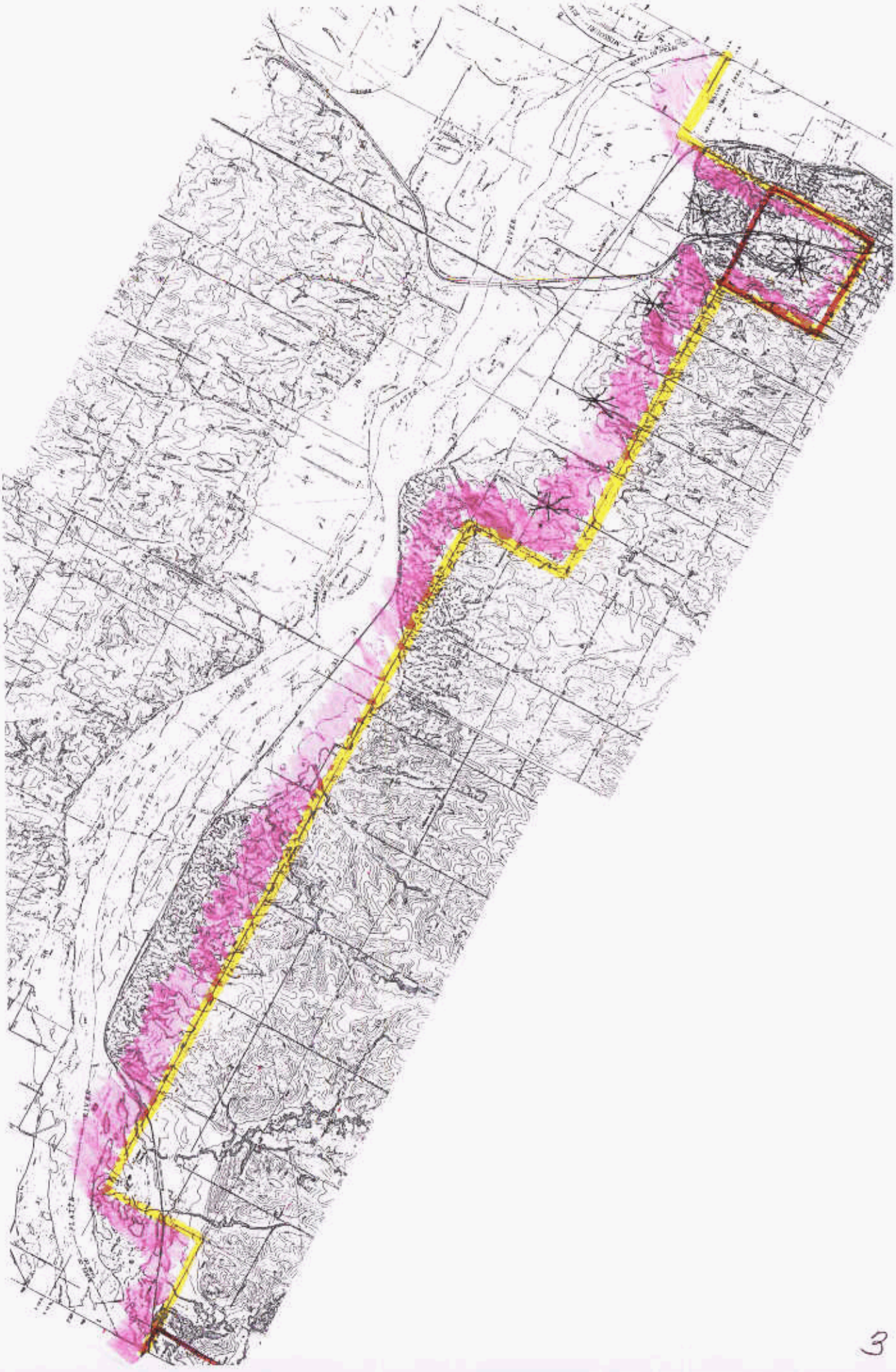
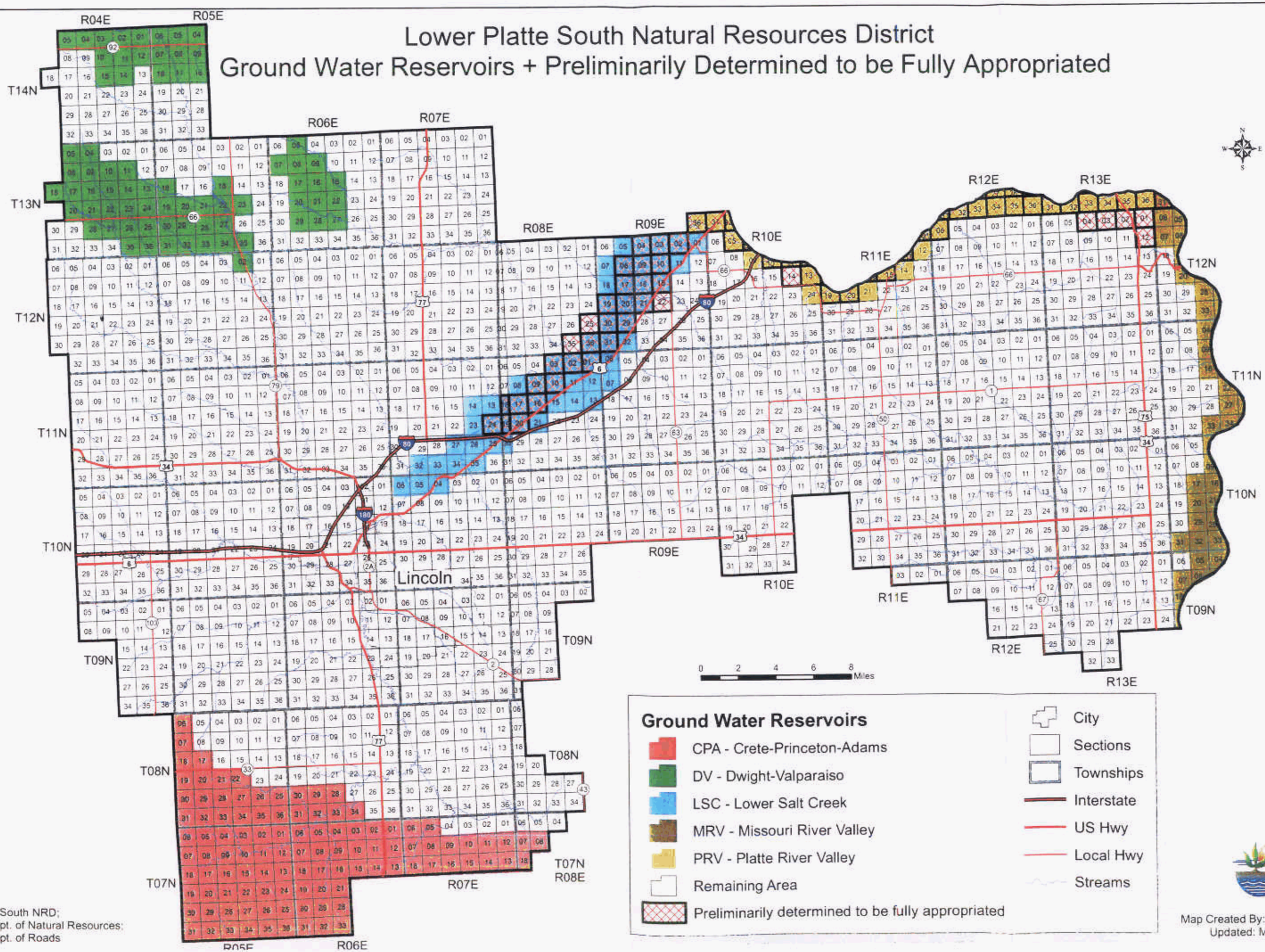


Lower Platte South Natural Resources District
Ground Water Reservoirs + Preliminarily Determined to be Fully Appropriated



Ground Water Reservoirs

- CPA - Crete-Princeton-Adams
- DV - Dwight-Valparaiso
- LSC - Lower Salt Creek
- MRV - Missouri River Valley
- PRV - Platte River Valley
- Remaining Area
- Preliminarily determined to be fully appropriated

- City
- Sections
- Townships
- Interstate
- US Hwy
- Local Hwy
- Streams

Sources:
Lower Platte South NRD;
Nebraska Dept. of Natural Resources;
Nebraska Dept. of Roads

Map Created By: Shaula D. Ross
Updated: March 2008

February 18, 2009

Scott J. Uecker
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To The DNR And The LENRD Board Of Directors:
My testimony, For the hearing record, in opposition to the moratorium on new irrigation wells.

Relative to the most recent ban on drilling of new wells, I find myself in a predicament that had I known the moratorium was imminent, I would not have been the last bidder on a piece of property, now temporarily appropriated, located in Pierce County, T-25N, R1-W, Section 12.

The above mentioned land was purchased October 29th 2008 in my fathers name. I am currently working with the FSA to acquire a low interest loan to purchase the property from him. I am a 29 year old farmer with a young family; seeking growth as we take steps to shift farm ownership in my direction. Our purchase was made with the intent to develop irrigation and the bidding was influenced accordingly. Hindsight is 20/20 so it's obvious that I wish I would have filed for a permit immediately after the sale. At the time it seemed prudent to wait until the official closing before starting any aggressive development of the property. We closed on the property the morning of December 23, 2008. Of course, later that same day, I was taken by surprise to find the article in the paper announcing a ban on irrigation well drilling. As property owners we assumed we had the right to develop irrigation on our land. Even as we met to close on the property, that right was already gone.

I attended the January meeting in Norfolk where the DNR tried to state their case. There is virtue in the idea of stemming current water usage to sustain a viable supply for future use. However, the presentation we witnessed was not able to show or prove that we have a usage problem. After being baptized with science in the DNRs own version of "An Inconvenient Truth", it became clear that there is a huge gap between what thousands of people have observed in the last fifty years and what a few government scientists tried to measure last summer. Furthermore, other reports and data from reputable sources also contradict the DNR findings. It all begins to look more political than anything as I have begun to realize that the only endangered species in this issue is the hard working farmer and his partners in business. As a fairly young guy, optimistic and maybe a little naive, I want to believe that I can trust my government. But this deal has me genuinely spooked. You won't find me chanting "Yes we can!" anytime soon.

Three questions that I would like to ask are... Could the state prove in a court of law that the science used to make their determination is totally conclusive and not contrived? Can it be shown that the manner in which this moratorium was imposed, immediately and without warning, was not, in fact, an abuse of power? And would the state concede a legitimate call to compensate land owners for the unannounced revocation of their rights, and the subsequent devaluing of their property and its future profit potential?

I respect the LENRDs statement of opposition to the state imposed moratorium. This display of better judgment has helped me to realize a greater confidence in our local governing bodies. All I can ask is that The LENRD Board considers my situation, and situations of others like me, and makes an exception. Otherwise, our future ambitions will remain thwarted. I'm not asking for a bail out, or a hand out, just a reasonable exception against what appears to be an unreasonable ruling. Thank You.

Sincerely,

Scott J. Uecker

State of Nebraska
Department of
Natural Resources
Filed in the Department of
Natural Resources at 8:05
O'clock A M. this 24th
day of FEBRUARY 20 09
L. Bowen

EXHIBIT
6
2-24-09 WC

Testimony Provided by the U.S. Fish and Wildlife Service to the Nebraska Department of Natural Resources Regarding the Fully Appropriated Designation for the Lower Platte River

Public Hearing, Tuesday February 24, 2009
1:30 p.m., State Office Building, Room A
Lincoln, Nebraska

The U.S. Fish and Wildlife Service (Service) supports the Nebraska Natural Resources Department determination that the Lower Platte River is fully appropriated. The lower Platte River is considered crucial to the recovery of the federally listed pallid sturgeon, interior least tern, and the piping plover. The mouth of the Platte River is included in one of the six priority recovery areas identified in the Pallid Sturgeon Recovery Plan (USFWS 1993). The Lower Platte River is also recognized as an important recovery area for the least tern and piping plover (USFWS 1990; USFWS 1988). A fully appropriated designation would benefit the pallid sturgeon, least tern, and piping plover by: 1) halting the flow-related degradation of habitats for the three federally listed species, and 2) allowing water provided by the Platte River Recovery Implementation Program to more effectively benefit the three federally listed species as it reaches the Lower Platte River.

Although substantially altered, the current flow regime provides habitat that remains the most similar to the original, unaltered habitat in the middle portion of the pallid sturgeon's range. The flow regime in the spring and early summer produces conditions important to various aspects of the pallid sturgeon reproductive cycle, including development of spawning cues and access to potential spawning areas. The National Research Council (NRC) concluded that "The loss of the lower Platte River habitat would probably result in a catastrophic reduction in the pallid sturgeon population. Any recovery effort for the pallid sturgeon will of necessity include the lower Platte River." (NRC 2005, p 238). The Service has also determined that projects resulting in depletions to the lower Platte River would adversely affect the least tern and piping plover through impacts to riverine sandbar nesting and foraging habitats.

The Endangered Species Act of 1973 (ESA) provides for the conservation of federally listed threatened or endangered species and the ecosystems upon which they depend. The ESA and its implementing regulations present multiple means of achieving the stated purpose of species conservation. One such means is the Platte River Recovery Implementation Program (Program), an agreement among the states of Colorado, Wyoming, and Nebraska and the Department of the Interior, whose purpose is to secure defined benefits for the federally listed pallid sturgeon, whooping crane, least tern, and piping plover. One goal of the Program is "testing the assumption that managing flow in the central Platte River also improves the pallid sturgeon's lower Platte River habitat". Participants of the Program fully recognize the need to optimize the limited federal and State monies available to implement this Program. A Fully Appropriated designation for the Lower Platte River would help to ensure optimal benefits to the Lower Platte River habitats from water provided by the Program.

The Service looks forward to working with our State partners and water users to address the need for water resource development within the context of conserving threatened and endangered species and the Lower Platte River ecosystem on which they depend.

Respectfully submitted by June M. DeWeese, Field Supervisor, Nebraska Ecological Services Field Office, U.S. Fish and Wildlife Service.

Literature Cited:

National Research Council. 2005. Endangered and threatened species of the Platte River. The National Academies Press, Washington, D.C. 299 pp.

U.S. Fish and Wildlife Service. 1988. Great Lakes and northern Great Plains piping plover recovery plan. U.S. Fish and Wildlife Service, Twin Cities, MN. 160pp

U.S. Fish and Wildlife Service. 1990. Recovery plan for the interior population of the least tern *(Sterna antillarum)*. U.S. Fish and Wildlife Service, Twin Cities, MN.

U.S. Fish and Wildlife Service. 1993. Pallid sturgeon recovery plan. U.S. Fish and Wildlife Service, Bismarck, ND. 55pp.

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PRELIMINARY DETERMINATION THAT THE LOWER PLATTE RIVER BASIN IS FULLY APPROPRIATED

I support the Nebraska Department of Natural Resources preliminary determination that the Lower Platte River Basin is fully appropriated. I am testifying today as a *private citizen*, but professionally, I am the Coordinator of the Tern and Plover Conservation Partnership. The mission of the Tern and Plover Conservation is to work *cooperatively and proactively* with local governments, business, industry, property owners, and others to protect Interior Least Terns and Piping Plovers in Nebraska http://ternandplover.unl.edu.

Interior Least Terns (*Sternula antillarum athalassos*) and Piping Plovers (*Charadrius melodus*) are protected by the federal Endangered Species Act, the Nebraska Nongame and Endangered Species Conservation Act and the federal International Migratory Bird Treaty Act. Interior Least Terns are listed as state and federally endangered. Piping Plovers are listed as state and federally threatened. The Nebraska Natural Legacy Project has identified both Interior Least Terns and Piping Plovers as Tier 1 At-Risk species in the state. Both of these species occupy habitats in Nebraska that are identified as Biologically Unique Landscapes by the Nebraska Natural Legacy Project. The status of these birds indicates the critical need to protect them and conserve the areas in which they live, to ensure that Nebraska's natural resource heritage is not further degraded. Deeming the Lower Platte River Basin as fully appropriated will be a large step toward achieving this goal.

Interior Least Terns and Piping Plovers place their nests on broad expanses of bare or sparsely vegetated sand that is located near a source of water. The water provides food for both adult and young birds; fish for terns and aquatic or semi-aquatic invertebrates for plovers. The nest for both species is a simple cup-like scrape in the sand. Historically, this nesting habitat has been found on midstream sandbars in braided prairie rivers such as the Platte, Loup, Elkhorn, Niobrara, and Missouri Rivers in Nebraska.

The amount of sandbar nesting habitat that is available to nesting terns and plovers in the Lower Platte River is unpredictable from year to year. It is dependent upon the volume and depth of water that is flowing in the river, seasonal and daily fluctuations in the river flow, and segments of the river channel that, hydrologically, allow for midstream sandbar development. The cumulative effect of human-caused changes to river flow patterns has been to eliminate this natural nesting habitat. Human-caused changes include such activities as water diversion, hydropeaking, sediment removal, channelization, bank reinforcement, and ground or surface water reduction.

When these human-caused changes occur in concert with natural events such as floods or drought, the birds' natural nesting habitat is effectively eliminated. This forces the terns and plovers to seek out alternative nesting habitat. In Nebraska, this alternative nesting habitat is found at sand and gravel mines and lakeshore housing developments. The sand spoil piles at sand and gravel mines and beaches at lakeshore housing developments are very attractive to the birds. In recent years, according to data collected by the Nebraska Game and Parks Commission and the Tern and Plover Conservation Partnership, more Interior Least Terns and Piping Plovers have nested at these alternative nesting habitats than on natural midstream sandbars. Interior Least Terns and Piping Plovers do successfully fledge young from these alternative nesting habitats. However, we do not know whether these young birds survive and recruit into the breeding population. If these alternative nesting habitat birds do not

reproduce as well as midstream sandbar nesting birds, they are not contributing to the population growth and ultimate recovery of these two imperiled species.

In addition to the uncertain reproductive value of these alternative nesting habitats, there are other consequences that must be considered. When Interior Least Terns and Piping Plovers nest at sand and gravel mines or lakeshore housing developments, they are nesting on privately owned property. The birds' legally protected status requires that they be protected and allowed to remain undisturbed throughout the nesting season, even on privately owned property.

The potential for bird-human conflicts is great in situations where birds want to nest where humans want to live, work or play. If the extraction plans for a sand and gravel mine includes dredging in an area where Interior Least Terns or Piping Plover are nesting, those plans must wait until the nesting season is over. This may reduce the amount of material the mines produce, which may negatively impact the aggregate mining industry in Nebraska.

After sand and gravel mines are taken out of production they are frequently converted into lakeshore housing developments. The terns and plovers still 'see' these areas as suitable nesting habitat. If the real estate plans for a housing development includes utility installation, excavation, terracing, road building, construction, or landscaping, those plans must wait until the nesting season is over. This may slow the pace of development and negatively impact the real estate industry in Nebraska.

There are a number of sand and gravel mines and lakeshore housing developments located along the entire length of the Lower Platte River. It is to be expected that the expansion of both these activities will be directed westward along the river. This expansion will impact the people, cities, towns and counties along the length of the river. As this occurs, we expect that the nesting Interior Least Terns and Piping Plovers will move along with this expansion and bird-people conflicts will continue.

The clear solution to these bird-people conflicts is to return the Interior Least Terns and Piping Plovers to their natural nesting areas on midstream sandbars in the Lower Platte River. Currently, this is not possible since there are inadequate river flows and sediment loads in the river to produce suitable midstream sandbars. Further depletion of river flows and degradation of the hydrograph in the Lower Platte River will only serve to exacerbate this problem. Securing the fully appropriated basin status of the Lower Platte River will help provide natural nesting habitat for Interior Least Terns and Piping Plovers in Nebraska. This will provide the tri-fold benefit of helping recover the populations of these two imperiled species, support Nebraska's sand and gravel mining industry, and encourage Nebraska's real estate development industry.

The Fully Appropriated Basin status of the Lower Platte River will, I believe, benefit all Nebraskans, the economy of the state, and these two imperiled species that are dependent on us for their survival.