

Why is NCORPE Needed?

The Republican River's use is dictated by a 70-year-old interstate water compact between Kansas, Nebraska, and Colorado. In recent years, the State of Kansas has used this compact to instigate litigation that would restrict groundwater irrigation on 300,000 to 500,000 acres in Nebraska. This equals about 25 to 50 percent of all groundwater irrigated acres in Nebraska's part of the basin.

The State of Nebraska has pushed back hard, coming up with creative ways to meet our compact requirements without devastating our economy by shutting off groundwater irrigation. NCORPE is just one of many projects that help us meet our requirements. Without it, there would have to be a 60 percent reduction in irrigated acres or water use in the Republican Basin or a regular shutdown of acres close to the Republican River and its tributaries, and about 50,000 fewer irrigated acres in Twin Platte NRD.

What would have happened if we didn't meet our Republican River Compact requirements in recent years?

Kansas would have prevailed in its lawsuit. This would have meant:

- ◆ Up to 500,000 of the basin's 1.1 million irrigated acres would have been permanently shut down.
- ◆ About 16 Nebraska counties would be economically devastated due to their reliance on irrigation.
- ◆ A federal water chief would be dictating Nebraska's water management options in our portion of the Republican Basin.
- ◆ Nebraska would have paid tens of millions of dollars to Kansas. In its recent lawsuit, Kansas sought \$80 million for Nebraska's noncompliance in 2005 and 2006, which was before NCORPE was established. Nebraska was only required to pay \$5.5 million.

How does NCORPE help?

- ◆ NCORPE can adjust to our compact allocation. Our allocation varies considerably from year to year, shrinking substantially in dry years. If we only used regulations, we would be "over-complying" and sending water to Kansas that could have been used in Nebraska.
- ◆ NCORPE prevents surface water irrigators from being shut down. Without the project, surface water irrigators would have had less or possibly no water in 2015, 2016, and 2017.
- ◆ With NCORPE, only 14,750 irrigated acres were dried up, but it can provide the same benefits as shutting down hundreds of thousands of acres.
- ◆ History tells us that Nebraska only has to make efforts to comply with the Republican River Compact about one-third to one-half of the time.
- ◆ The long-term goal is that no more water will be pumped under the project than what otherwise would have been pumped had the land remained an irrigated farm.

The Nebraska Cooperative Republican Platte Enhancement Project (NCORPE) is a joint project of four Natural Resources Districts (NRDs) that is designed to help the State of Nebraska and NRDs meet interstate and intrastate water obligations. It protects the economy of a region with approximately 1.4 million irrigated acres without sacrificing natural resources, and is the largest rangeland restoration project in Nebraska.



NCORPE – Repurposing Groundwater to Benefit All of Nebraska

In September 2012, a large block of property came up for sale. The property was on the open market, so the window of time to act was small. The four NRDs involved in NCORPE today – Upper Republican, Middle Republican, Lower Republican, and Twin Platte – quickly decided to pursue the property.

That block of land had first been developed for irrigation 40 years prior by Prudential Insurance. Since then, the land changed hands several times over the years. In December 2012, the NRDs bought it from a hedge fund based on the East Coast that was operating the land as an irrigated corn and potato farm.

From Mega-Farm to Prairie Water Project

- 💧 The project is located on 19,000 acres of poor farmland on the southern edge of the Nebraska sandhills. All the land has been restored to native rangeland, making it the largest grassland reclamation project in Nebraska history. Neighbors to the project can use land for grazing.
- 💧 Water pumped from the NCORPE project is delivered to the Republican and Platte rivers to enhance stream flows. This is essential to keep us in compliance with state and federal regulations.

Pieces of the Project

- 💧 The property had 115 irrigation wells. After retiring most, only 30 augmentation wells remain in use to operate the project.
- 💧 The project is located over a part of the Ogallala Aquifer that is especially thick, where saturated thickness is approximately 500 feet.
- 💧 A 7-mile-long, 42-inch transmission main line was built, ending at a large discharge structure where approximately 80,000 gallons per minute of water can be released.
- 💧 The goal is to pump as little as possible. NCORPE is consistently striving to find ways to decrease the amount pumped. Recent successes include:
 - The U.S. Supreme Court decision made compliance easier for Nebraska.
 - New agreements with Kansas have increased flexibility so that water is left in the ground until, or if, it's needed.
 - The NRDs that make up NCORPE have a goal of limiting pumping to what would have been pumped had the property remained an irrigated farm.
 - Average annual pumping at NCORPE the last four years has been equal to about just 3 percent of irrigation pumping in the Republican Basin in an average year.
 - Despite being used the last four years, if NCORPE isn't used for a little more than one year project pumping will be about on par with what pumping would have been over the same time period had it remained an irrigated farm.
- 💧 NCORPE is using state-of-the-art science to evaluate any impacts of the project's pumping. We have an interest in using the water resource responsibly given the large investment in the project.

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NCORPE – Land Ownership and Tax Issues

The NCORPE project is solely funded by an occupation tax on irrigated acres; no property tax dollars are used. It is the largest project to date funded by the occupation tax, which the Nebraska Legislature gave NRDs the authority to levy in 2007 to enhance river flows.

Why are we retaining ownership of the land?

- 💧 The NCORPE board is made up of farmers and agri-businessmen who appreciate and advocate private property rights and ownership.
- 💧 NCORPE owns the land simply to guarantee the project can be operated since access to water in Nebraska is linked to owning land. Selling it jeopardizes the ability to operate the project.
- 💧 The mortgage on the land provides additional security to bond-holders, helping lower the cost of financing. Selling the land could increase finance costs.
- 💧 Even if the NCORPE land is sold, those paying for the project would continue to pay for it but could lose the benefits.
- 💧 Large investments in the project and its value to Nebraska's efforts to comply with interstate agreements make it unwise to sell land without absolute assurance the project could continue to be operated. Such assurance doesn't currently exist.

The Nebraska Tax Equalization and Review Commission ruled that the project is being used for public purposes and therefore is exempt from taxes. The public purpose is to prevent regular irrigation shutdowns that would occur without NCORPE. This would cause widespread property devaluations and tax revenue reductions across 16 counties more than the tax reductions caused by NCORPE's property ownership.

The project has been estimated to increase economic output in the affected NRDs by \$57 million annually, increase income by \$5.7 million annually, and increase state and local tax revenue by about \$700,000 annually compared to if the project didn't exist.

If NCORPE was required to pay taxes...

- 💧 Many other public projects in Nebraska would likely also have to be taxed including municipal wellfields.
- 💧 Municipal wellfields in Lincoln County where land is leased for practices such as haying, like NCORPE, would have to be taxed.
- 💧 Irrigators across 16 counties who are financing NCORPE through occupation taxes would be taxed twice - once for the project and a second time to pay taxing entities.

If the law was changed to decouple land ownership from right-to-access groundwater, it could have wide-ranging ramifications. This could go as far as allowing large amounts of groundwater to be pumped by other entities, including those outside the state that didn't own land in Nebraska.

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