

*Funds to pay off augmentation land, more acreage retirement*

**By Russ Pankonin**

*The Imperial Republican*

Irrigators in the Upper Republican Natural Resources District (URNRD) will pay \$10 per irrigated acre in occupation taxes next year and \$1.157 million in property taxes will be collected for district operations.

URNRD board members approved the occupation tax and property tax request during their regular meeting Sept. 6.

Manager Jasper Fanning said the occupation tax will generate approximately \$4.5 million next year.

Fanning said all the occupation tax money collected will be designated for two purposes—the district's augmentation program and additional acreage retirement.

The district paid \$10 million this past spring for a 4,000-acre land tract in southwest Dundy County to be used for a stream augmentation project.

The district used \$5 million in previously collected occupation taxes for the down payment.

The district still has another \$3.6 million in occupation tax money and owes the state approximately that amount for loaning the NRD money to lease surface water several years ago. Generating \$4.5 million next year—and the following year, if eventually approved by the board—would allow the district to pay off the augmentation project in approximately two years.

In addition, the district will still have funds to retire more irrigated acres in areas with high stream flow depletion.

The cost to drill high capacity wells on the tract and install a pipeline to put water into Rock Creek for compact compliance has been estimated to cost \$6 million.

### **Property Taxes Requested**

Taxpayers got a reprieve in 2011 from NRD property tax askings. But the tax request will resume in the next budget.

Unconstitutional property taxes collected after the passage LB 701 were used this year for district operations instead of asking for new taxes.

When LB 701 was passed in 2007, it contained a special 10-cent levy that could be assessed in natural resources districts in the Republican.

After the tax was collected, this portion of LB 710 was challenged in court and found to be unconstitutional.

However, no state statutes exist to provide for a refund to taxpayers.

The URNRD held \$1.137 million in unconstitutional taxes. By using these funds and making no property tax request, taxpayers in essence got the money back.

### **Pipeline Route Mapped**

During last week's meeting, Fanning said the engineering on the augmentation project is nearing completion.

He said the pipeline route has been mapped and needed easements are being sought.

Nate Jenkins, assistant manager, said URNRD has made a \$1 million grant application to the

Nebraska Environmental Trust Fund.

Jenkins said funds would be used for habitat enhancement and insuring a constant source of water for the Game & Parks' Rock Creek fish hatchery.

One option under consideration for providing a constant supply to the hatchery could create a small reservoir upstream from the hatchery.

**Variance to Link Wells Denied**

For several months, the board has been gathering information on a variance request from D&L Cattle Company to connect two wells together to feed a satellite pivot.

Board members voted last week to deny the variance.

Board Chair Terry Martin said allowing such a variance could result in more pumping from the wells.

Board member Kerry Bernhardt said satellite pivots should stand on their own and not be fed by tying wells together to increase water supply.