

The Ainsworth Unit Bulletin

CONTRACT RENEWAL FOR AINSWORTH IRRIGATION DISTRICT (AID)

In our previous newsletter sent out in May, we let you know that the AID is no longer pursuing title transfer but is now working with the Bureau of Reclamation to renew their long-term water service contract or convert their long-term water service contract to a repayment contract.

PUBLIC INVOLVEMENT

We also said we would determine how to proceed with public involvement, as the focus has changed from title transfer to contract renewal. Title transfer public meetings were held in Ainsworth and Valentine in April 2003. Comments gathered at those meetings, in addition to public comments we have received since then, are available for review at www.usbr.gov/gp/nkao. Responses to these comments have appeared in prior newsletters which are also available at this web address. Those comments which apply to contract renewal will receive consideration in the renewal process.

At this point, we are planning to prepare a Draft Environmental Assessment (DEA) without further public scoping meetings. We will provide information to interested publics through this newsletter as well as posting



updates online at the above identified site. We of course continue to welcome your comments by email or postal mail at the address shown at the end of this bulletin. If questions, concerns, or any significant issues indicate the need for more public meetings, we will schedule them at that time. You will have an opportunity to review and comment on the DEA when it is completed. Notice of the availability of the DEA and locations where copies are available will be published in general circulation newspapers.

PURPOSE OF AND NEED FOR ACTION

When an environmental document is developed, National Environmental Policy Act (NEPA) regulations require that a *Purpose of and Need for Action* be developed.

The purpose of and need for the proposed Federal action to renew or convert the AID contract is to:

- Continue the supply of irrigation water to the AID with an attempt to balance water uses among other competing needs.



- Minimize impacts of the AID Unit’s operations while continuing the delivery of water consistent with Reclamation policies and State water law.

What these two items are saying is simply that the purpose of this Federal action is to provide for the continued beneficial use of federally developed project water to the AID for irrigation of project lands.



In addition, there is a need to balance the contractual obligations to the AID water users with the needs of fish and wildlife, recreation, and other beneficial uses in the project area. This federal action is needed because the AID’s existing long-term water service contract will expire on December 31, 2006. The Reclamation Act of 1956 requires Reclamation to provide irrigation districts holding such contracts a first right to a stated share of the Project’s available water supply for beneficial use on the Unit’s irrigable lands consistent with the authorized purposes of the Unit.

TERMINOLOGY

AID Water Supply:

That portion of the total water supply of the Snake River, a tributary of the Niobrara River, available through the constructed project works of the Ainsworth Unit from the natural flow of the Snake River and from storage in Merritt Reservoir, as appropriated under the laws of the State of Nebraska for use on District lands,

not to exceed, however, the amount of water that may be used beneficially on the lands of the District.



AID Base Water Supply:

This is a reference to the portion of the District’s water supply that is provided under the terms of their existing water service contract. This includes: 1.38 acre feet (AF) of water for each irrigable acre, plus conveyance and operational losses. Currently, the “base water supply” is 63,712 AF.

Additional Water:

During each annual irrigation season, if water is available in excess of the AID’s base water supply of 63,712 AF, the District may purchase that water to supplement their base supply. The AID could request additional water at the rate of \$1.00 per acre-foot and with advance payment to the United States.

Water Conservation Plan:

As provided in the Reclamation Reform Act of 1982, Sec. 210: Each district that has entered into a repayment contract or water service contract pursuant to Federal reclamation law or the Water Supply Act of 1958, as amended, shall develop a water conservation plan which shall contain definite goals, appropriate water conservation measures, and a time schedule for meeting the water conservation objectives. The AID’s latest draft Water Conservation Plan was prepared in August 2005.

Water Service Contract:

A water service contract does not provide for final payment of a District’s construction obligation. It is renewable into perpetuity with contract terms of up to 40 years per renewal.

If the AID renews their water service contract, it will have a term of up to 40 years and a capital repayment obligation determined during contract negotiations and based on the AID’s ability to pay and/or willingness to pay. At the end of that contract term, a new water service contract or a repayment contract would have to be negotiated.

AID Repayment Contract:

If the AID converts to a repayment contract, during contract negotiations a capital repayment obligation will be determined based on the District's ability to pay and/or willingness to pay. This repayment amount is usually higher than that negotiated for a water service contract because a repayment contract would provide for finality of payments by the AID. A repayment contract establishes a fixed repayment schedule of up to 40 years (amortization period) to repay a portion of the project costs allocated to irrigation. Therefore, a repayment contract has no contract term or expiration date. After the repayment period is completed no further debt is owed by the AID.



THE ALTERNATIVES

Reclamation has developed three alternatives. These alternatives will be evaluated in the DEA.

NO ACTION ALTERNATIVE (Full Irrigation)

Under this alternative, the long-term water service contract with the AID would be renewed with no change in the current and projected future operation of Merritt Reservoir.

The definition of the No Action Alternative is consistent with the Council on Environmental Quality's decision (*Federal Register*, July 6, 1989) that says where there is existing management, such as the AID, the reasonable No Action Alternative is continuation of existing management.

The key elements of the **No Action Alternative** are:

- (1) An annual base water supply of 63,712 AF from available storage and natural flows, with a provision for the AID to purchase additional water if available. A "base water supply" for irrigators in the AID is considered to be 16.5 inches of

water per acre. Irrigators have applied more than 16.5 inches of project water per irrigated acre in five of the last ten years. The average annual water supply (canal diversion) from 1970 through 2004 was approximately 69,440 AF or about 17.3 inches of water per acre.

- (2) Full utilization of storage water at Merritt Reservoir based on irrigation demands with no provision for a minimum pool elevation.
- (3) Implementation of water conservation practices currently described in the AID's water conservation plan. In August 2005, the AID updated their water conservation plan to include the following objectives:
 - (a) reduce seepage losses in laterals,
 - (b) encourage center pivot development of gravity irrigated land,
 - (c) reduce field runoff and nitrogen leaching and demonstrate efficient utilization of all sources of nitrogen and irrigation water,
 - (d) cost share funding and grants for water conservation, automation and repair of aging infrastructure, and
 - (e) continue to keep a five year average delivery to AID farms of 65 percent or more.

- (4) No change in the current and future operations of Merritt Reservoir. The AID would continue voluntary measures to benefit the existing fisheries in the Snake River below Merritt Dam.

CONTINUE IRRIGATION WITH INCREASED BASE WATER SUPPLY ALTERNATIVE

Under this alternative, the long-term water service contract with the AID would be renewed or converted to a repayment contract with no change in the current and future operation of Merritt Reservoir. The key provisions of this **Continue Irrigation With Increased Base Water Supply Alternative** would be similar to the No Action Alternative, except for the following:

- (1) The option to purchase additional water would be eliminated because under this alternative the full water supply available would become the “base water supply.” The maximum annual water supply to the AID would be 65,952 AF of storage water, less evaporation and seepage losses, plus natural flows. The water supply would include the reservoir water available for storage from elevation 2946.0 to elevation 2875.0.
- (2) Full utilization of storage water at Merritt Reservoir based on irrigation demands with no minimum pool elevation.
- (3) The AID would agree to continue existing conservation measures outlined in the No Action Alternative. In addition, the AID would also agree to implement further improvements to



decrease return flows in Sand Draw and Bone and Long Pine Creeks.

FWR ALTERNATIVE (Continue Irrigation with Fish, Wildlife, and Recreation Improvements)

Under this alternative, the long-term water service contract with the AID would be renewed or converted to a repayment contract and a minimum pool elevation of 2929.0 feet would be maintained in Merritt Reservoir. Maintaining this higher minimum water surface level would provide additional boating and recreation benefits. Higher reservoir elevations would also benefit the reservoir fishery.



The key elements of this **FWR Alternative** are:

- (1) Reclamation would provide an annual base water supply of 35,078 AF of storage water to the AID, less evaporation and seepage losses, plus natural flows. This water supply would include available reservoir storage from elevation 2946.0 to elevation 2929.0.
- (2) A minimum reservoir pool elevation of 2929.0 would be maintained at Merritt Reservoir to provide a reservoir elevation at least two feet higher than the bottom of the lowest boat ramp to ensure access to at least one ramp during low water periods.
- (3) At the request of the Nebraska Game and Parks Commission, the AID would provide water releases from Merritt Reservoir to the Snake River to maintain water temperature and dissolved oxygen levels to benefit brown and rainbow trout, water quality, wildlife, and overall aquatic life in the river. The minimum pool

elevation would be adjusted in response to these releases.

- (4) The AID would continue to implement conservation measures outlined in their Water Conservation Plan. In addition, the AID would implement other water conservation measures to improve district-wide efficiencies in order to reduce water supply requirements.

GET INVOLVED



If you are just joining the AID contract renewal process or want a refresher on information and current progress, visit Reclamation's website at www.usbr.gov/gp/nkao. This site also offers information on the NEPA process, the contract renewal process, and

flowcharts showing the steps in preparing an environmental document. If you do not have internet access, you can get this information by contacting our Public Involvement Specialist at the address below.

CONTRACT EXTENSION LEGISLATION

The AID's water service contract will expire on December 31, 2006, and legislation has been introduced to extend that date to 12/31/2010. For the latest information on the contract extension legislation, visit www.usbr.gov/gp/nkao.

UPCOMING OPPORTUNITIES FOR PUBLIC INVOLVEMENT

- (1) A 30-day period for review of the DEA will be provided after its publication and distribution, currently scheduled for March 2006. The availability of the DEA will be announced in the local media.
- (2) When contract negotiations begin, they will be advertised in the media and there will be an opportunity at the end of each official negotiation session for public comment.
- (3) When negotiations have been completed and final contracts drafted, an announcement will be made in the local media and the public will have an opportunity to comment on the contracts before they are signed.



PUBLIC INFORMATION

If you have questions, email them to josullivan@gp.usbr.gov or send by postal mail to Judy O'Sullivan, Public Involvement Specialist, Bureau of Reclamation, PO Box 1607, Grand Island, NE 68802.

If you have any comments or need further information, please let us know.

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