

Manager's Report
December 8, 2025

November was pretty dry, although not as dry as November 2024. We got a little more than half of average precipitation (0.44"). Unless we get into a wet spell this month, we are likely to end 2025 just an inch or so above average annual precipitation (see weather info in packet). Nothing very notable, but a big turnaround from the drought that we were heading into last year at this time.

Republican Basin issues have been taking up a fair amount of my time this past month. We had our annual Republican basin wide meeting and our Republican Basin IMP annual review meeting with DNR at the Middle Republican NRD office in Curtis on November 20. The good news: as anticipated, we are still in compliance with our IMP. In fact, the margin between Imported Water Outflows and Imported Water Consumption grew by about 40 acre-feet last year (see compliance test charts in packet). The bad news: an extended drought could put us out of compliance, requiring us to operate our augmentation well to make up for the shortfall.

Knowing that we won't need our augmentation well in 2026, we signed a one-year agreement with Lower Republican NRD to operate our well on their behalf (see signed agreement in packet). NDWEE director Jesse Bradley had previously wanted some water pumped this fall but later decided that he wanted us to wait until late winter to start augmentation projects, so we don't overcompensate Kansas. I would guess that we will start pumping in February.

We have been working on and off with NDWEE for nearly six years on revising our Republican Basin IMP. Part of the reason that this has taken so long is that it's almost entirely a structural re-write to get our IMP formatted the same as the other three Republican Basin NRDs. Since we haven't had compliance problems and we're not making significant policy changes, DWEE staff have often put the re-write on the "back burner" while other projects with greater urgency were dealt with. They say that they have a "near final" draft (which I haven't seen yet), so they would like to schedule a public hearing on the plan. The intent is to hold the hearing on February 4, so we can issue public notice and have the board approve the plan during the February 20, 2026, board meeting. DWEE staff will come out and review the plan with the board during the February work session.

Fortunately for us, DG Fuels is planning to build their synthetic (don't call it sustainable!) aviation fuel plant in the Platte Basin portion of our district, where we have more options to offset new depletions and groundwater impacts. Last Tuesday, I attended a question-and-answer session with DG Fuels representative, Julie Bashell. The news headline from that meeting, at least as far as I'm concerned, was her announcement that DG will build a stover palletization mill before they build their fuel plant in Phelps County. Moreover, this palletization mill will provide feedstock not just for the Phelps County fuel plant, but also for a fuel plant in Louisiana which is planned to be built first. That means that DG fuels will now want to process twice as much corn stover (2.4 million tons) as previously planned. Cattlemen were already

expressing concern about having to compete with DG Fuels for stover. Now, if the current plan is pursued, DG Fuels will need to buy stover from at least 1.2 million irrigated corn acres (there are 580,000 irrigated acres in all of Tri-Basin NRD). They also intend to keep a year's supply of stover on hand to avoid production disruptions. DG Fuels currently plans to build their pellet mill in 2028 and their aviation fuel plant in 2030, but they are not yet committed to move forward with either project. We were told to expect an announcement of a "conditional commitment" by DG Fuels to the projects in 2026.

Phelps County residents are wondering "what if" DG Fuels builds their big production facility. Dawson County residents and area cattlemen are asking "what now?" after the announcement by Tyson Foods that they will close their beef packing plant in Lexington in January. This closure will inevitably disrupt a lot of people's lives, and it will likely hurt the profit margins of cattlemen, who will have fewer buyers and longer hauls to deliver cattle. One way or another, our ag economy will look a lot different in the coming years.

The NRD board will need to approve applications for Nitrogen Reduction Incentive Program applications. We have 39 applications now and we might get a couple more before the program deadline. Our applications on hand already exceed our allocated funds by over \$12,000. We won't get a supplemental allocation like we did last year, either.

Tri-Basin NRD, Central Platte NRD and the Rainwater Basin Joint Venture will sponsor an ag industry conservation symposium at the Ag Center in Holdrege on January 8, 2026. The purpose of the meeting is to provide bankers, crop consultants and farmers with information about available conservation programs and to get their feedback about how to make these programs more effective and more attractive to producers. If you're interested in this meeting, contact Carrie Putnam in our office.

The NARD Legislative Conference will be held next month at the newly renovated Embassy Suites hotel. We currently have eight directors planning to attend and I will also encourage our new director, Andrew Stade to go to the meeting. If Andrew attends this will be a record group of participants from Tri-Basin. That said, if you had planned to go but change your mind, please let Nicole know ASAP, because hotel rooms are at a premium for this event.

That's all that I can think of mentioning for this month. I look forward to seeing you all next Wednesday afternoon. If I don't see you then, I wish you a Blessed Christmas and a prosperous New Year!