



United States Department of the Interior



BUREAU OF RECLAMATION
Great Plains Region
Nebraska-Kansas Area Office
P.O. Box 1607
Grand Island, Nebraska 68802-1607

IN REPLY REFER TO:

NK-100
FIN-6.00 BSW

MAY 15 2006

Kenneth Nelson, Superintendent
Kansas-Bostwick Irrigation District No. 2
P. O. Box 165
Courtland, KS 66939

Subject: Operation and Maintenance Budget for Calendar Year 2007, Kansas-Bostwick Irrigation District, Lovewell and Harlan County Units, Bostwick Division, Pick-Sloan Missouri Basin Program, Kansas and Nebraska

Dear Mr. Nelson:

We have completed an estimate of the 2007 multipurpose expenses associated with each of the dams. This estimate is based on the appropriate budget documents, proposed extraordinary maintenance items, and an estimate of the Corps of Engineers' charges to be paid in 2007. The following estimate is our formal notification to you and the District of the multipurpose expenses for calendar year 2007 associated with Lovewell and Harlan County Reservoirs.

Reservoir	Share - General	Remote	Total	Reimbursable by District	
<u>Field Costs</u>	<u>Admin Expenses</u>	<u>Control</u>	<u>Costs</u>	<u>O&M</u>	<u>Remote Control</u>
<u>Corps</u>	Allocation Against Irrigation		\$144,300	\$106,782	
<u>Bureau (Lovewell)</u>					
\$223,969	\$113,398	\$26,030	\$363,397	\$3,374	\$4,462
			TOTAL: \$114,618		

Enclosed is a more detailed breakdown of these estimated costs. If you need additional information, please contact Sandy Hughson at the above address or by telephone at 308-389-5305.

Sincerely,


Alice E. Johns
Area Manager

Enclosure

PRES.	<u>CH</u>
SEC'Y	<u>BP</u>
TREAS.	<u>MD</u>
SUPT.	<u>KN</u>

Bostwick Unit, Lovewell Dam
 Calendar Year 2007 Estimated Costs

Harlan County Dam

Revised: 5/12/2006

Estimated Allocation of Multi-Purpose O&M Expenses			COE Costs
Salaries & Overhead	286,274		
Utilities	6,045		
Material, Supplies, Equip	23,860		
Other Services	11,981		
Subtotal (including remote):		328,160	940,000
RAX Items*			
Guide Rock Access - design	15,000		
Dam Safety Assurance Costs			
RAX Subtotal:		15,000	0
Minus Remote Control		5,793	
O&M Subtotal:		337,367	940,000
Remote Control % Dist.	7.0%		
Remote Subtotal:		26,030	
TOTAL EST. DAM COSTS:	363,397		940,000

*RAX Items are subject to change or be delayed due to funding and/or Area Office/Regional Office priority.



DEPARTMENT OF THE ARMY
 CORPS OF ENGINEERS, KANSAS CITY DISTRICT
 700 FEDERAL BUILDING
 601 E 12TH STREET
 KANSAS CITY MO 64106-2896

CENWK-RM-F (37)

23 JUNE 2005

7-11-15.0-0

NAME	INITIAL	ACTION	DATE
Steve	JK		7/1
Alice			
Sandy	S		7/5
Mark	ak		6-7
Jack			
McCook		by eg	6/27

MEMORANDUM FOR Regional Director, Bureau of Reclamation, Lower Missouri Region,
 P.O. Box 36900, Billings, Montana 59107-6900

SUBJECT: FY06 Estimated Operations, Maintenance and Replacement Expense – Harlan
 County Dam and Reservoir

1. Reference Memorandum of Agreement between the Bureau of Reclamation, Department of Interior, and the Corps of Engineers, Department of the Army, regarding the Irrigation Purpose of Harlan County Dam and Reservoir, dated 29 December 1982.
2. As required by Article 6b of the referenced agreement, enclosed is the FY06 Estimated Operations, Maintenance and Replacement Cost for Harlan County Dam and Reservoir.
3. If there are any questions, please contact Ms. Bobbie Lucas, CENWK-RM-F, 816-983-3385.

FOR THE COMMANDER:

Encl
 as

DAVID E. GLANDON
 Chief, Resource Management Office

CF (w/encl):
 ✓ Project Manager
 Nebraska-Kansas Project Office
 P.O. Box 1607
 Grand Island, NE 68802

REVISED ESTIMATED OPERATIONS & MAINTENANCE EXPENSE
 HARLAN COUNTY LAKE
 FY06 (IN THOUSANDS)

20-Jun-05

FEATURE	TITLE	JOINT	SPECIFIC IRRIGATION	SPECIFIC RECREATION	EXCLUSION	TOTAL
02	OPER FOR FLOOD DAMAGE REDUCTION	623.0				623.0
04	OPER FOR ENVIRONMENTAL STEWARDSHIP	120.0				120.0
	MGMT OF CULTURAL RESOURCES				16.0	16.0
05	OPER FOR RECREATION			480.0		480.0
	SUBTOTAL OPERATIONS	743.0	0.0	480.0	16.0	1239.0
12	MAINT FOR FLOOD DAMAGE REDUCTION	152.0				152.0
14	MAINT FOR ENVIRONMENTAL STEWARDSHIP	45.0				45.0
15	MAINT FOR RECREATION			427.0		427.0
	SUBTOTAL MAINTENANCE	197.0	0.0	427.0	0.0	624.0
	TOTAL REG O&M	940.0	0.0	907.0	16.0	1863.0
05-42	SRUF-OPERATIONS					0.0
15-42	SRUF MAINTENANCE					0.0
	GRAND TOTAL O&M	940.0	0.0	907.0	16.0	1863.0
	% APPL TO IRR	15.35%				
		144.3				



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P.O. Box 1607
Grand Island, Nebraska 68802-1607



NK-100
FIN-6.00 BSW

MAR 24 2006

Kenneth Nelson, Superintendent
Kansas-Bostwick Irrigation District No. 2
P O Box 165
Courtland, KS 66939-0165

Subject: Operation and Maintenance Costs for FY 2005 for Harlan County Dam and Reservoir, Kansas-Bostwick Irrigation District, Franklin Unit, Bostwick Division, Pick-Sloan Missouri Basin Program, Kansas

Dear Mr. Nelson:

For your information, enclosed is a copy of the letter and backup data received from the Corps of Engineers concerning the actual O&M cost for Harlan County Dam and Reservoir for FY2005. The actual O&M costs were \$1,392,566.90 less Dam Safety Assurance Evaluation of \$384,700 for a total charge of \$1,007,866.90 of which Irrigation's share of 15.35% equals \$154,707.57. Your District's share will be 62.2% of \$154,707.57 or \$96,228.11.

The Bill of Collection due July 1, 2006, for the FY2005 COE's charges to be paid by your District will be in the amount of \$96,228.11.

If you have any questions or comments, please contact Sandy Hughson at the above address or telephone 308-389-5305.

Sincerely,

Acting For Alice E. Johns
Area Manager

Enclosures

PRES.	CH
SECY	BP
TREAS.	MD
DIRT.	KN



United States Department of the Interior



BUREAU OF RECLAMATION
Great Plains Region
Nebraska-Kansas Area Office
P.O. Box 1607
Grand Island, Nebraska 68802-1607

IN REPLY REFER TO:

NK-100
WTR-4.10 BSW

MAR 06 2006

Kenny Nelson, Superintendent
Kansas Bostwick Irrigation District No. 2
P O Box 165
Courtland, KS 67622

Subject: 2006 Distribution Works Payment Restructure – Letter Agreement, Kansas Bostwick Irrigation District No. 2, Courtland Unit, Bostwick Division, Pick-Sloan Missouri Basin Program, Kansas

Dear Mr. Nelson:

The purpose of this letter is to secure agreement with the Kansas Bostwick Irrigation District No. 2 (District) for the restructuring of the 2006 Distribution Works Construction Obligations under contract 009D6B0120 (contract).

The following statements are made in explanation of the proposed agreement:

By Contract No. 009D6B0120 dated July 25, 2000, the District contracted with the United States for the use of and repayment of the distribution works in accordance with Reclamation Law.

The Act of September 21, 1959, provides that if the Secretary of the Interior determines that the payment of an annual construction installment by an entity will unnecessarily burden that entity, the Secretary may provide for a deferment of that annual payment; provided that any amendatory contract executed to effect a deferment shall provide that it is only an interim solution of the repayment problems dealt with, and its terms are not, in themselves, to be construed as criterion of the terms of an amendatory contract that may be subsequently negotiated; provided that the deferment does not provide for an extension to the District's repayment period.

The Act of July 2, 1956 (94 Stat. 1507), as amended, provides for payment of rates under any contract entered into pursuant to and said subsection (e) in advance of delivery of water on an annual, semiannual, bimonthly, or monthly basis as specified in the contract.

The project area has suffered severe drought conditions in 2004, 2005, and such conditions are expected to continue in 2006.

The District has requested to pay the full 2006 construction charges in a different cycle for timing and frequency.

It is in the mutual interest of the parties hereto to enter into an agreement to restructure the 2006 annual distribution works payment due in semi-annual installments on April 1 and November 1, 2006.

In consideration of the conditions and explanations outlined above, it is agreed between the parties signing below to the following modifications to the repayment installments due under Contract 009D6B0120:

The distribution works construction charge due under contract 009D6B0120, as amended, is currently \$421,353 due in semi-annual installments of \$210,676.50 on April 1 and November 1, 2006.

This agreement restructures the amount of the first installment of the distribution works construction obligation for the 2006 billing cycle. The total currently due (\$421,353) under the contract for the 2006 billing cycle shall remain the same. The restructured payment schedule for 2006 shall be as follows:

<u>Payment Amount</u>	<u>Date Due</u>
\$83,273	April 15, 2006
\$338,080	November 1, 2006

In the event that pending legislation H.R. 4000 for equalization of the water supply and distribution works payments (copy enclosed) is enacted, any unbilled balance of the 2006 distribution works payment may be part of the repayment obligation to be restructured into equalized payments in accordance with such legislation. This letter agreement in no way affects any payment installments beyond those due in 2006.

Please request the District's board to pass a resolution approving the restructuring of the 2006 distribution works obligation as specified above and authorizing acknowledgment of this letter agreement by an appropriate District official. Please sign and return the duplicate copy of this letter along with a copy of the resolution.

Sincerely,


 Acting For Alice E. Johns
 Area Manager

Enclosure

KANSAS-BOSTWICK IRRIGATION DISTRICT NO. 2

By 
 President

ATTEST:


 Secretary

109TH CONGRESS
1ST SESSION

H. R. 4000

AN ACT

To authorize the Secretary of the Interior to revise certain repayment contracts with the Bostwick Irrigation District in Nebraska, the Kansas Bostwick Irrigation District No. 2, the Frenchman-Cambridge Irrigation District, and the Webster Irrigation District No. 4, all a part of the Pick-Sloan Missouri Basin Program, and for other purposes.

109TH CONGRESS
1ST SESSION

H. R. 4000

AN ACT

To authorize the Secretary of the Interior to revise certain repayment contracts with the Bostwick Irrigation District in Nebraska, the Kansas Bostwick Irrigation District No. 2, the Frenchman-Cambridge Irrigation District, and the Webster Irrigation District No. 4, all a part of the Pick-Sloan Missouri Basin Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. BOSTWICK IRRIGATION DISTRICT IN NE-**
4 **BRASKA; REPAYMENTS EQUALIZED AND RE-**
5 **SERVE FUNDS CONTRIBUTIONS EXTENDED.**

6 The Secretary of the Interior may revise the repay-
7 ment contract with the Bostwick Irrigation District in Ne-
8 braska numbered 009D6B0121 and all amendatory con-
9 tracts thereto, by equalizing the annual total repayment
10 obligation under the contracts for the distribution works
11 construction charge and the water supply repayment obli-
12 gation for the remaining years of the contract relying upon
13 the annual water supply repayment obligation as of the
14 date of the enactment of this Act as the base for equal-
15 izing the annual total payments and by extending the date
16 for adjusting the annual deposits into the distribution
17 works reserve fund and the district water supply reserve
18 fund for an additional 10 years.

19 **SEC. 2. KANSAS BOSTWICK IRRIGATION DISTRICT NO. 2; RE-**
20 **PAYMENTS EQUALIZED AND RESERVE FUNDS**
21 **CONTRIBUTIONS EXTENDED.**

22 The Secretary of the Interior may revise the repay-
23 ment contract with the Kansas Bostwick Irrigation Dis-
24 trict No. 2 numbered 009D6B0120 and all amendatory
25 contracts thereto, by equalizing the annual total repay-

1 ment obligation under the contracts for the distribution
2 works construction charge and the water supply repay-
3 ment obligation for the remaining years of the contract
4 relying upon the annual water supply repayment obliga-
5 tion as of the date of the enactment of this Act as the
6 base for equalizing the annual total payments and by ex-
7 tending the date for adjusting the annual deposits into the
8 distribution works reserve fund and the district water sup-
9 ply reserve fund for an additional 10 years.

10 **SEC. 3. FRENCHMAN-CAMBRIDGE IRRIGATION DISTRICT;**
11 **REPAYMENTS EQUALIZED AND RESERVE**
12 **FUNDS CONTRIBUTIONS EXTENDED.**

13 The Secretary of the Interior may revise the repay-
14 ment contract with the Frenchman-Cambridge Irrigation
15 District numbered 009D6B0122 and all amendatory con-
16 tracts thereto, by equalizing the annual total repayment
17 obligation under the contracts for the distribution works
18 construction charge and the water supply repayment obli-
19 gation for the remaining years of the contract relying upon
20 the annual water supply repayment obligation as of the
21 date of the enactment of this Act as the base for equal-
22 izing the annual total payments and by extending the date
23 for adjusting the annual deposits into the distribution
24 works reserve fund and the district water supply reserve
25 fund for an additional 10 years.

1 SEC. 4. WEBSTER IRRIGATION DISTRICT; REPAYMENTS
2 EQUALIZED AND RESERVE FUNDS CONTRIBU-
3 TIONS EXTENDED.

4 The Secretary of the Interior may revise the repay-
5 ment contract with the Webster Irrigation District num-
6 bered 039D6B0002 and all amendatory contracts thereto,
7 by equalizing the annual total repayment obligation under
8 the contracts for the distribution works construction
9 charge and the water supply repayment obligation for the
10 remaining years of the contract relying upon the annual
11 water supply repayment obligation as of the date of the
12 enactment of this Act as the base for equalizing the annual
13 total payments and by extending the date for adjusting
14 the annual deposits into the distribution works reserve
15 fund and the district water supply reserve fund for an ad-
16 ditional 10 years.

Passed the House of Representatives December 19
(legislative day, December 18), 2005.

Attest:

Clerk.



United States Department of the Interior

BUREAU OF RECLAMATION
Great Plains Region
Nebraska-Kansas Area Office
P. O. Box 1607
Grand Island, Nebraska 68802-1607

IN REPLY REFER TO:

NK-100
WTR-4.00

JAN 19 2006

Kenneth Nelson, Chairman
Irrigation Project Reauthorization Council
P.O. Box 165
Courtland, KS 66939-0165

Subject: Debt Service Obligations in 2006 - Kansas Bostwick Irrigation District No. 2,
Webster Irrigation District No. 4, Bostwick Irrigation District in Nebraska, and
Frenchman Cambridge Irrigation District

Dear Mr. Nelson:

This letter is being provided concerning the payments due by Kansas Bostwick Irrigation District No. 2 and Webster Irrigation District No. 4 in Kansas, and Bostwick Irrigation District in Nebraska and Frenchman Cambridge Irrigation District in Nebraska as it relates to H.R. 4000.

As was explained during our meeting at the annual Four States Irrigation conference last week in Fort Collins, Colorado, you requested written clarification of the situation. The Districts will be billed for their respective debt service obligations according to the schedules in each of their respective contracts, unless the legislation is enacted prior to the scheduled billing dates. Thus, without the legislation being enacted in the near future, the District would not be able to receive a reduction in debt service payments to the United States in 2006. The schedules for initial payments for the Districts vary according to their individual contracts, with the first half of calendar year 2006 payments due as early as April 1st, which requires a bill of collection being initiated in late February.

If you have any questions, please contact Stephen Ronshaugen or me at the above address or telephone 308-389-5300.

Sincerely,

Alice E. Johns
Area Manager

PRES.	ECH
SECY	BP
TSCAD	GLH
SUPV	KN

IRRIGATION PROJECT REAUTHORIZATION COUNCIL

Kenneth Nelson, Chairman
KS Bostwick Irr. Dist.
P.O. Box 165
Courtland KS 66939-0165
Ph 785-374-4514

Mike Delka, Treasurer
Bostwick Irr. Dist. in NE
P.O. Box 446
Red Cloud NE 68970-0446
Ph 402-746-3424

Tom Knutson, Vice Chair.
Farwell Irr. Dist.
P.O. Box 137
Farwell NE 68838
Ph 308-336-3341

Lee Orton, Attorney
1233 Lincoln Mall Suite 201
Lincoln NE 68508-2820
Ph 308-476-1101

21 December 2006

Larry Meyers
Meyers & Associates
412 First Street
Suite One, Lobby Level
Washington, D. C. 20003

Dear Larry:

The IPRC irrigation districts of Kansas Bostwick, Webster, Frenchman Cambridge, and Bostwick of Nebraska, sincerely thank Meyers and Associates for your support and effort in our successful passage of HR 4000 granting the Bureau of Reclamation authority to restructure our repayment debt. A special "Thank You" must go to Fran Boyd who bird-dogged the effort for us.

This legislation will greatly help these districts as we continue to wait and pray for our supplies to return to adequate amounts. As water continues to become a valuable resource sought after by everyone, we must protect agricultures rights to use it now and in the future. It is reassuring to know your organization stands ready to help in this effort.

Our treasurer is mailing you our final payment for this effort, which should arrive at or near the same time as this letter.

Once again Thanks!!!!

For the IPRC



Almena Irrigation District - Bostwick Irrigation District in Nebraska
Farwell Irrigation District - Frenchman Cambridge Irrigation District - French Valley Irrigation District
Kansas Bostwick Irrigation District-Kirwin Irrigation-Sargent Irrigation District-Webster Irrigation District

KBID 000605

IRRIGATION PROJECT REAUTHORIZATION COUNCIL

Kenneth Nelson, Chairman
KS Bostwick Irr. Dist.
P.O. Box 165
Courtland KS 66939-0165
Ph 785-374-4514

Mike Delka, Treasurer
Bostwick Irr. Dist. in NE
P.O. Box 446
Red Cloud NE 68970-0446
Ph 402-746-3424

Tom Knutson, Vice Chair.
Farwell Irr. Dist.
P.O. Box 137
Farwell NE 68838
Ph 308-336-3341

Lee Orton, Attorney
1233 Lincoln Mall Suite 201
Lincoln NE 68508-2820
Ph 308-476-1101

15 August 2006

The Honorable
Address
United States Senate
Washington D.C. 20510

Dear Senator :

First let us express our sincere thanks for your sponsorship of S. 1962 a bill to authorize the Secretary of Interior to revise the payment contracts with our four irrigation districts located in Kansas and Nebraska. Enactment of this legislation will allow us to enter into negotiations with the Bureau of Reclamation to defer our water payment contracts due to depleted supplies and the severe drought we have suffered in Kansas and Nebraska over the past several years. During this period we have not been able to receive the water allotments we expected but must still make the specified contract payment even though our irrigators did not receive the water. We are urging you to do all that you can to see that HR 4000 as reported by the Senate Energy and Natural Resources Committee on July 31 without amendment is approved by the full Senate when it returns in early September. HR 4000 introduced in the House by Congressman Jerry Moran, passed the House without objection in December 2005 and has been reported by the Senate Energy and Natural Resources Committee and was placed on the Senate Legislative Calendar on July 31. It is critical to our irrigation districts and our irrigators that this legislation be approved by the full Senate as early in September as possible. The Bureau of Reclamation strongly supports it's passage due to the several years of severe water shortages are districts have experienced. The Administration testified in support of the bill at hearings held on the bill by both the Senate Committee on Energy and Natural Resources and the House Resources Committee. To our knowledge there is no opposition to this legislation from any quarter.

Almena Irrigation District - Bostwick Irrigation District in Nebraska
Farwell Irrigation District - Frenchman Cambridge Irrigation District - French Valley Irrigation District
Kansas Bostwick Irrigation District-Kirwin Irrigation-Sargent Irrigation District-Webster Irrigation District

KBID 000606

In November, our payments under our current contracts with the Bureau of Reclamation are due and the Bureau has informed us that they have no option but to enforce the existing contract payments unless the legislation is enacted. Senator our districts do not have the means to pay these increased 2nd half charges and the Bureau of Reclamation does not have an administrative means not to charge us, thus the urgency. If HR 4000 is not enacted our district will have to make the following payments for water we did not receive:

Frenchman-Cambridge (NE)
May 1-\$29,066.50
November 1-\$130,538.50

Nebraska Bostwick (NE)
July 1-\$27,438.00
November 1-\$183,163.00

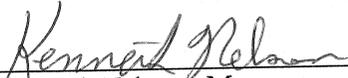
Kansas Bostwick (KS)
April 15-\$83,273.00
November 1-\$338,080.00

Webster (KS)
April 1-\$6,474.00
November 1-\$32,822.00

Even once the legislation is enacted we will have to undertake a contract amendment process with the Bureau of Reclamation in order for our November payments to be deferred and that process too will take more time. We believe it was important to bring this serious situation to your attention and the deadline that is hanging over our heads particularly given all the work you and your staff have done to get us this far. We know we could not accomplish this important undertaking without your personal involvement and are requesting that you speak to Senate Energy and Natural Resources Chairman Domenici and Ranking Member Bingaman concerning our plight and the reason HR 4000 needs to be approved by the full Senate as early in September as possible and sent to the President for his signature. Again thank you so much for your continued support of our irrigation districts and the producers who depend on them. If there is anything any of us can do to help insure that the Senate takes up this legislation when it returns we stand ready to do everything and anything in our power to accomplish that goal.

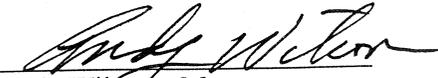
For the Board of Directors,

Sincerely,


Kenneth Nelson - Manager
Kansas Bostwick Irr. Dist.


Mike Delka - Manager
Bostwick Irr. Dist. In Nebraska


Roy Patterson - Manager
Frenchman-Cambridge Irr. Dist.


Andy Wilson - Manager
Webster Irr. Dist.

Identical letter sent to the following:

Senator Pat Roberts
Room 109 Hart Senate Office Building
United States Senate
Washington D.C. 20510

Senator Sam Brownback
Room 303 Hart Senate Office Building
United States Senate
Washington D.C. 20510

Senator Chuck Hagel
Room 248 Russell Senate Office Building
United States Senate
Washington D.C. 20510

Senator Ben Nelson
Room 720 Hart Senate Office Building
United States Senate
Washington D.C. 20510

Irrigators Meeting
3-30-06 7:00 pm
Republic Community Building

I. Welcome and Introduction of Meeting

Topics - Contract in Nebraska water to KBID
Operations above and below Lovewell
Legislation in Congress regarding repayment

Speakers - Kenny Nelson Superintendent KBID
 Kansas State Board of Agriculture,
 Division of Water Resources
 Bureau of Reclamation

II. Contract State of Nebraska

What does this mean to Kansas Bostwick

Kenny

A. In Jan. KBID was given an estimate of 5,000 af available in Harlan Co and NBID was given an estimate in Jan of 10,000 af of water available in H. Co. for the 2006 season. This along with the natural flows of the Republican at the Guide Rock Diversion Dam are the flows we are talking about. Would give us 15,000 af from Harlan and the natural flows at the dam. We will explain this further later on in the presentation but we have determined a 4" delivery to be reasonable to the irrigators above Lovewell and today we set the restriction at 4"/acre above Lovewell.

Nebraska's objective is to work towards Contract Compliance
Kansas

How water is accounted for in Reservoir and to the Districts
BOR

- A. Explanation of Irrigation Pool, Sediment Pool, and Non use Pool
- B. Explanation of January estimate and June adjustment
- C. How water is going to be accounted for as if NBID divert
- D. Loss projections from Harlan County to Kansas

II. Operations during Harlan County Releases

When will releases begin

Plan to release according to corn crop needs probably last week in June 1st week in July

How will the Courtland Canal be operated

We intend to run the water down the river and on the bottom of the canal all the way to mile point 19.3 which is ½ mi. west of Frank Langers. We have a radial gate at this location and a skimming weir w/w that returns flow to the river. By

holding the canal to surface at this location and at all the other check structures downstream to the Lake, we can make deliveries to our KBID users

We have gauges which can be accessed on my computer from a satellite read which will help us to know how much water is at different locations to help us control these flows. The first gauge is located at Riverton 32 mi downstream from Harlan County, the next is at the diversion dam, 28 miles further downstream, then we move 15.1 miles down the canal to the State line.

How long does it take to receive release water to irrigators
The initial release will probably take between 4-5 days of river travel to reach 15.1. Releases after that will take 3 days if normal river travel time is utilized.

Deliver water to all KBID irrigators above Lovewell.

We will attempt to deliver 4"/acre during this period of releases from Harlan County. Irrigators will need to give us 3 day turn on notice and 2 day shut off notice. In other words try to plan your entire run as best as you can. If you have fields with turnouts which you do not choose to irrigate this year it would be very helpful if you let us know so we can adjust the way we operate the canal through that area to save as much water as possible.

When will season end

One usually figures 1 week for 1" delivery which would mean 4 weeks from the starting date. We will monitor the supply daily and if we are able to deliver more than expected, we will raise the restriction and inform you of a shut off date as soon as we are comfortable with it. It is an extremely difficult thing to do with all the factors that play a role in this. This season will end when we have exhausted the useable supply or when the Board of Directors determine the season should end or September 1st.

III. Operations of Natural flow irrigations season

Losses in Courtland Canal vs. Natural flow

The Courtland Canal is 34.8 miles long. The minimum loss is about 1cfs/mile. A dry canal will lose 2cfs or more

Use of flows before Harlan County Releases

The flows will be used to fill Lovewell Reservoir until the maximum allowed storage is reached. Once that is accomplished, we will use the flows to season the canals preparing for the Harlan release season. If there is still natural flow waters, we will attempt to deliver it to anyone who would like to divert water to their field. If there was

still natural flow available, we would pass it through Lovewell and prime canals below Lovewell.

Use of flows during Harlan County Releases

If natural flows occur during the Harlan County release period and they are significant enough to allow Harlan to be shut down, we will deliver from those flows and it will not be charged against the restriction from Harlan. If the flows are not significant enough to shut down Harlan releases, we will attempt to check up the Courtland Canal in Nebraska to store some additional water for use the next couple days but the restricted use remains.

Use of flows after Harlan County Releases

If the H Co release irrigation season ends before Sept 1, we will continue to make water available to irrigators where ever possible with the amount of water available. We will make every possible effort to get water to all users where feasible. We will not run Pump 1 during this period if we think there is a risk of running short in the delivery bay

IV. District Personnel for operations

As you all know, we have properly discounted your O&M cost above Lovewell. We did not anticipate the deal that has been made and did not increase assessments last August when we are required to set the assessments. We are operating with 3 less full time and two less part time personnell than we had in 2003. We have hired back one part time employee and plan to utilize our damtender as a ditchrider to make this work. David Allen will be making changes on the Courtland Canal and running the 2nd section laterals, the Pump 1 ride and the North Canal. Randy Evert will be running the Ridge and the 3rd section laterals. Maintenance personnel will be instructed by these 2 ditchriders to help where ever they can. We will need all the help we can get from you in making this work.

V. Operations below Lovewell

Last year, we used 5.6" below Lovewell. Today, we are setting the restriction below Lovewell at 5" with the expectation we may be able to do a little better later on. Your season should be similar to last year as far as total water supply. Your best chance of additional supply would come with additional large flows on the White Rock Creek.

VI. Status of legislation

HR 4000

S 1962

The last time we payed a distribution works repayment

charge was in 2003 a total of \$376,000. We collected repayment in 2004 as assessed in August of 2003, however, the 2004 charges were deferred. We continue to hold the \$376,000 collected in 2004. We also were granted a deferrment for the 2005 charges. Therefore, our 2006 charge is \$421,353. In 2005, we along with other districts in the Republican and Solomon Basin sought legislation rather than continueing deferrment efforts which have to be repaid within the current remaining years of the debt which in our case is 2015. The legislation we are seeking, will spread the remaining debt out to the year 2040 which lowers the debt to \$188,546.

House Resolution 4000 passed last December. A Hearing on companion legislation S 1962 was held in the Senate today and supported by the Administration (Reclamation). We look for passage in the Senate very soon. It will then have to be signed by the President and then the Amendment process to our Contract will begin. Reclamation has worked with us on this years payments but I'm uncertain exactly how it will be handled at this time. We will use the 2003 funds to pay this but a repayment charge will once again be forth coming in the future.

IRRIGATION PROJECT REAUTHORIZATION COUNCIL

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27 February 2006

Alice Johns, Area Manager
U.S. Bureau of Reclamation
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Dear Ms. Johns

Kansas Bostwick Irrigation District, along with other members of the Irrigation Projects Reauthorization Council, are working very hard to have legislation passed which will give us much needed relief from repayment charges scheduled to be paid under our existing contracts. The scheduled repayment charges for the distribution works are too large of an annual amount for our districts to pay during this ongoing drought with severely limited or no water supply year after year. Because of this drought, a number of our districts have received deferments the past two years (2004 & 2005). We are extremely pleased that Reclamation has supported our legislation and look forward to its passage in the near future.

The problem we now face is the charges for the 2006 season are placing an undue burden upon our irrigators. We started working on this legislative effort early last year but because of delays beyond our control, we have not received passage in the Senate as of this writing. We, in Kansas, are required to set assessments in August to cover charges and expenses for the upcoming year. The Board of Directors of this district, being sensitive of charges to irrigators who were receiving no water, did not make an assessment for the 2005 or 2006 repayment charges. Along with this action, district O&M charges to irrigators below Lovewell Reservoir, who have been limited to 30-40% of a normal supply for the past 2 years, were not increased from their 2003 assessment charges and the irrigators above Lovewell were charged a flat \$10/acre charge the past two years. The above Lovewell charge is \$12/acre less than the 2003 charge. We were not informed by Reclamation until October that our 2005 deferment request would be approved with an explanation that 2006 charges should be paid. The district having not assessed our irrigators for 2006 repayment, relied on passage of the legislation to which would allow this to happen from current reserves.

Almena Irrigation District - Bostwick Irrigation District in Nebraska
Farwell Irrigation District - Frenchman Cambridge Irrigation District - French Valley Irrigation District
Kansas Bostwick Irrigation District-Kirwin Irrigation-Sargent Irrigation District-Webster Irrigation District

KBID 000613

In January of 2006, we were informed of the possibility of unexpected water, to the benefit of Kansas Bostwick Irrigation District by a transfer of water from Nebraska Bostwick Irrigation District to the State of Nebraska. This is to satisfy a Republican River Compact issue. We welcome a usable water supply but, find ourselves in a financial bind needing to hire people to fill jobs left vacant to deliver water to the farms. The reserves we intended to spend towards repayment will be needed for operations and maintenance needs to deliver the unexpected water. If the initial debt service payment due in April could be reduced from the scheduled \$210,676.50 to \$83,273 it would be a tremendous benefit to our District. The balance of the scheduled 2006 payment, should the legislation not be passed, would be \$338,080 which we would pay in November, 2006. Should the legislation proposed now be passed we would hope that the balance of the 2006 payment would be included under the new provisions of that legislation. The District pledges to make whatever payment that will be due in the final 2006 payment from previously collected assessments and non-contract reserve funds which the District has available, and could use in emergencies.

Our next opportunity to assess charges to irrigators, who are already paying over their ability to pay, will not exist until August of 2006 by state law. Those funds will not be available to us until disbursements are made throughout the 2007 calendar year. Having to pay the \$421,353 in two payments as anticipated would be a huge financial burden to a district already hard pressed to keep operating during these tenuous times.

The late notice of being required to pay 2006 charges has placed an undue burden upon our irrigators. The Board of Directors had no choice last August but to not assess repayment charges for 2006 consequently we could not raise the funds required for 2006. We request you to do whatever is possible to relieve this burden and allow the pending legislation, when it is passed, to be effective in 2006.

For the Board of Directors



Kenneth Nelson
Superintendent