

EXHIBIT C001

**IN RE: NON-BINDING ARBITRATION PURSUANT TO THE
FINAL SETTLEMENT STIPULATION, *KANSAS v. NEBRASKA
AND COLORADO*,
NO. 126 ORIGINAL**

BEFORE JEFFREY FEREDAY, ARBITRATOR

JOINT EXPERT REPORT

**DICK WOLFE, P.E.
STATE ENGINEER
AND
DR. WILLEM A. SCHREUDER
PRINCIPIA MATHEMATICA**

I, Dick Wolfe, state the following:

(1) I understand that my role as an expert, both in preparing this report and in giving evidence, is to assist the arbitrator to understand the evidence or to determine facts in issue. The opinions expressed in my report are my own professional opinions.

(2) I have endeavored in my report and disclosures to be accurate and complete, and have addressed matters that I regard as being material to the opinions expressed, including the assumptions that I have made, the bases for my opinions, and the methods that I have employed in reaching those opinions.

(3) I have been advised by the attorney for the State of Colorado of the disclosure requirements of the rules of the arbitration, and I have provided in my report the information required by those rules. I have not included anything in my report and disclosures that has been suggested by anyone, including the attorney for the State of Colorado, without forming my own independent judgment on the matter.

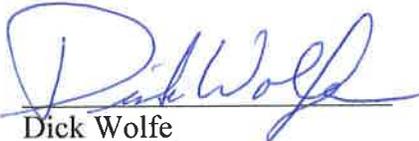
(4) I will immediately notify, in writing, the attorney for the party for whom I am giving evidence if, for any reason, I consider that my existing report requires any correction or qualification; and, if the correction or qualification is significant, will prepare a supplementary report or disclosure to the extent permitted by the applicable rules of the arbitration.

(5) I have used my best efforts in my report and disclosures, and will use my best efforts in any evidence that I am called to give, to express opinions within those areas in which I have been offered or qualified as an expert by the arbitrator, and to state whether there are qualifications to my opinions.

(6) I have made the inquiries that I believe are appropriate and, to the best my knowledge, no matters of significance that I regard as relevant have been withheld from the arbitrator.

(7) I have disclosed any financial or pecuniary interest that I have in the results of this lawsuit or in any property or rights that are the subject of the lawsuit for which my report and disclosures are being submitted.

Dated this 23rd day of May, 2013.


Dick Wolfe

I, Willem Schreuder, state the following:

- (1) I understand that my role as an expert, both in preparing this report and in giving evidence, is to assist the arbitrator to understand the evidence or to determine facts in issue. The opinions expressed in my report are my own professional opinions.
- (2) I have endeavored in my report and disclosures to be accurate and complete, and have addressed matters that I regard as being material to the opinions expressed, including the assumptions that I have made, the bases for my opinions, and the methods that I have employed in reaching those opinions.
- (3) I have been advised by the attorney for the State of Colorado of the disclosure requirements of the rules of the arbitration, and I have provided in my report the information required by those rules. I have not included anything in my report and disclosures that has been suggested by anyone, including the attorney for the State of Colorado, without forming my own independent judgment on the matter.
- (4) I will immediately notify, in writing, the attorney for the party for whom I am giving evidence if, for any reason, I consider that my existing report requires any correction or qualification; and, if the correction or qualification is significant, will prepare a supplementary report or disclosure to the extent permitted by the applicable rules of the arbitration.
- (5) I have used my best efforts in my report and disclosures, and will use my best efforts in any evidence that I am called to give, to express opinions within those areas in which I have been offered or qualified as an expert by the arbitrator, and to state whether there are qualifications to my opinions.
- (6) I have made the inquiries that I believe are appropriate and, to the best my knowledge, no matters of significance that I regard as relevant have been withheld from the arbitrator.
- (7) I have disclosed any financial or pecuniary interest that I have in the results of this lawsuit or in any property or rights that are the subject of the lawsuit for which my report and disclosures are being submitted.

Dated this 23rd day of May, 2013.



Dr. Willem Schreuder

I. Nebraska's Rock Creek Augmentation Project (Rock Creek Plan)

We have reviewed the Rock Creek Plan submitted by Nebraska to the RRCA dated February 8, 2013. We believe that Nebraska has developed a plan consistent with the provisions of the Final Settlement Stipulation (FSS), specifically, Section III.B.1.k, Section IV.A. and Section IV.H.

Nebraska has also provided revisions to the RRCA Accounting Procedures consistent with the requirements of Section I.F. of the FSS. A copy of the Accounting Procedures with proposed revisions for the Rock Creek Plan operation, were included with the submission on February 8, 2013. During a special meeting of the RRCA on March 8, 2013, Colorado voted to approve the Rock Creek Plan.

It is our opinion that the Rock Creek Plan complies with the requirements of the Republican River Compact and the FSS. The Rock Creek Plan uses the augmentation water supply as a credit to offset beneficial consumptive use in the basin to assist Nebraska in its efforts toward compact compliance.

The Rock Creek Plan utilizes existing irrigation wells, permitted under state regulations for alternative uses, as the source for augmentation water by removing the historic lands from irrigation and directly pumping water to the stream.

The Rock Creek Plan will expand the consumptive use of the wells that feed the Rock Creek pipeline. The FSS Section III.B.1.k exempts wells acquired or constructed for purposes of augmentation from the moratorium with the caveat that such wells may not cause any new net depletions to stream flow. The Nebraska proposal includes an evaluation of the increase in depletions caused by the expansion of the pumping. The minimum annual Rock Creek deliveries will be such that the annual stream flow will always be greater with the Rock Creek pipeline operating than if it had not operated. Therefore the net effect of pipeline deliveries and well pumping on the stream flow is to increase the flow so there would be no new net depletions. This is a reasonable interpretation of the term no "net depletions" to stream flow which is not specifically defined by the FSS.

The Rock Creek Plan uses the groundwater model to evaluate the impacts of well pumping to stream flow using the groundwater model, but does not add the outflow from the pipeline to the groundwater model. Ultimately, Colorado believes that Nebraska's proposed Rock Creek Plan and associated accounting is in conformance with the Compact and FSS.

II. Alternative Water Short Year Administration Plan (WSYA Plan)

Colorado has reviewed the proposal submitted by Nebraska on February 8, 2013 under notice of invocation of non-binding arbitration pursuant to Section VII.B.1 of the FSS for an Alternative Water Short Year Administration Plan (WSYA Plan). The WSYA Plan is submitted in accordance with Appendix M of the FSS. The WSYA Plan was originally submitted to the RRCA for consideration on July 30, 2012. Colorado voted to approve the WSYA Plan at the RRCA Annual Meeting on October 16, 2012.

Based on the current projections of a water short year, Colorado understands Nebraska's desire to reduce its Computed Beneficial Consumptive Use (CBCU) and the need for implementation of the WSYA Plan. Nebraska indicates it will reduce its CBCU through its Integrated Management Planning (IMP) process.

Nebraska indicates it will operate the WSYA Plan in accordance with the RRCA Accounting Procedures and the RRCA Groundwater Model. The methods and proposed actions to be taken by Nebraska appear consistent with the two test requirements under Section III.J of the Accounting Procedures.

Colorado has evaluated the proposed WSYA Plan and believes the actions proposed by Nebraska under its IMPs and the resulting reductions in CBCU are reasonable and achievable to support approval of the WSYA Plan.

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CERTIFICATE OF SERVICE

I hereby certify that I transmitted the **JOINT EXPERT REPORT of DICK WOLFE, P.E., STATE ENGINEER, AND DR. WILLEM A. SCHREUDER, PRINCIPIA MATHEMATICA** by e-mail and/or U.S. Mail as indicated, on May 23rd, 2013, with the document(s) in PDF format addressed as follows:

Arbitrator

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/s/

