From: Swanda, Marvin R
To: Scott, Craig D
Subject: FW: Republican River Briefing Paper
Date: Monday, November 15, 2010 10:15:23 AM
Attachments: RepublicanRCompactNeKs(RRIDsComm)Nov15.docx

From: Esplin, Brent
Sent: Monday, November 15, 2010 10:58 AM
To: Radzykewycz, Karen L
Cc: Thompson, Aaron M; Swanda, Marvin R
Subject: Republican River Briefing Paper

See attached briefing paper for tomorrow's meeting between the Commissioner and the Republican River Irrigation Districts.

-Brent

EXHIBIT
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5-21-12 TT
PENGAD 800-631-6989

BUREAU OF RECLAMATION

BRIEFING FOR: Commissioner Michael L. Connor **DATE:** November 15, 2010

ISSUE: Republican River Compact (Compact) – Video Conference with Frenchman Cambridge and Nebraska Bostwick Irrigation Districts (District)

CURRENT STATUS: The Nebraska Department of Natural Resources (DNR) and local Natural Resources Districts (NRDs) have recently revised two of the three Integrated Management Plans (IMPs). The stated goals and objectives of the IMPs are: "...sustaining a balance between water uses and water supplies." Most of the senior water rights in the Republican River basin are surface water rights which are currently not being provided "equity among water users." They revised IMPs include curtailing surface water use and bypassing inflows through the federal reservoirs in order to ensure Compact compliance during water short years. The Frenchman Cambridge and Bostwick Irrigation Districts are concerned the IMPs fail to protect their water rights and are concerned about their long term viability. Reclamation provided testimony on the two revised IMPs in May 2010 and have been collaborating with the Lower Republican NRD as it prepares revisions to its IMP. Reclamation has also met and exchanged correspondence with DNR in an attempt to better understand how the IMPs will be administered and how the federal projects will be impacted.

BACKGROUND: Nebraska remains out of compliance with the Republican River Compact (Compact) between Nebraska, Colorado and Kansas. In accordance with a Final Settlement Stipulation (FSS) for non-binding arbitration, an arbitrator rejected Nebraska's position that the current Integrated Management Plans (IMPs) were adequate to maintain Compact compliance during water short years. The FSS recommended that additional reductions in groundwater allocations be made and that Nebraska secure long-term access to surface water rights by June 2009. Reclamation testified at the Arbitration hearing that the groundwater pumping allocations in the IMPs should be reduced significantly to ensure long-term Compact compliance and to improve surface water supplies. Without reductions in the groundwater allocations, surface water supplies will not be consistently available. The protection of groundwater irrigation at the expense of surface water irrigation has become a socio-economic issue in Nebraska--safeguarding the future of their local economy.

POSITION OF INTERESTED PARTIES: Nebraska believes the revised IMPs will allow them to be in Compact compliance in all years. Due to the potential curtailment of surface water use, the Districts and Reclamation are concerned that these plans as will negatively affect the Districts financial viability. The Districts believe that if surface water is curtailed and inflows are bypassed the value of Reclamation's storage rights and storage use rights will be diminished. The Districts also feel Reclamation should continue to be a strong partner to ensure the protection of the Districts and federal projects.

RECOMMENDATION: Reclamation should continue to collaborate with Nebraska as it seeks compliance with the Compact. In doing so, Reclamation should continue to insist Nebraska work on long-term solutions that reduce the groundwater depletions and restore stream flows to ensure Compact compliance. Effort should also be made to protect the Federal investment and the project beneficiaries in the Republican River Basin. Reclamation should continue to collaborate with the DNR, NRDs and Districts to protect and operate its projects.

PREPARED BY: Michael J. Ryan, Regional Director, Great Plains Region, (406) 247-7600