2010 NEBRASKA REPORT
for the
Republican River Compact Administration
August 12, 2010

I am pleased again this year to inform all of you that the State of Nebraska is in compliance with the Republican River Compact. Using current accounting procedures, Nebraska has a positive five-year average for the period ending in 2009. Based on preliminary estimates, it appears Nebraska will again be in compliance for the five-year compliance period ending in 2010. This is a testament to the work conducted to date in partnership with Nebraska's Natural Resources Districts, its surface water users and the people of the Republican River Basin.

In the future, Nebraska will continue to remain in compliance with the Republican River Compact. The primary NRDs, in partnership with the Department of Natural Resources, have revised the Integrated Management Plans in place for two and a half years. These IMPs are working. Among other things, the IMPs clearly state that each of the NRDs cannot deplete more than their share of the water of the Basin. This is not merely a goal, but rather a requirement of each plan.

I have previously stated "the Department and the Natural Resources Districts feel that it is important to investigate other options and further regulations that can be incorporated into future plans addressing water short years." In the first week of August, the State of Nebraska along with the Upper and Middle Republican Natural Resources Districts successfully adopted revisions to the existing Integrated Management Plans. These revisions address the concerns of long term compliance brought up during the 2008 arbitration. The revised plans now contain an in-depth monitoring plan, including a comprehensive forecasting mechanism that now allows Nebraska to look ahead and anticipate compliance issues, rather than waiting until six months after a year is over to see the results of Compact accounting. This forecast is designed to predict the compliance outcome for Nebraska if dry conditions are experienced in the upcoming year, and accurately predicts when those potential dry conditions would require additional actions by Nebraska to remain in compliance. The revised plans contain a detailed description of the triggers that will indicate when additional management actions are needed. The responsibility for the needed management actions depends on the current situation in each NRD, and those NRDs with a share in any projected shortfall will be required to implement the necessary controls that will ensure Nebraska's compliance in dry periods. Finally, the plans also provide for an occupation tax in these NRDs and the additional framework for Nebraska to continue to manage consumptive use over the long term to meet compact compliance.

During the first half of this year, the States of Colorado, Kansas, and Nebraska spent considerable time and effort to address concerns related to the Colorado Compliance Pipeline and Nebraska's Crediting Issue through the arbitration process. We consider both of these issues to be of importance and look forward to their resolution. The Department has also held recent meetings with the Bureau of Reclamation to address their misunderstandings of the revised IMPs, and we have made considerable progress in the last two weeks.

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In order for Nebraska to utilize its Compact allocation to the benefit of the entire basin, we will need to work closely with both surface water and groundwater users to develop conjunctive management strategies that benefit all water users. We will continue to see improvements over time as the IMPs continue to take hold. It is our belief that a healthy surface water system will contribute to Nebraska's ability to comply with the Compact. Conjunctive management studies that identify the best uses of those streamflow supplies during wet and dry conditions will further enhance Nebraska's ability to fully utilize its Compact allocation while also continuing to ensure Compact compliance. The natural resources districts, the irrigation districts, and their respective boards, and the Bureau of Reclamation will play an important role in implementing these strategies in the basin.

The future also holds continuing participation in the Conservation Reserve Enhancement Program and the Environmental Quality Incentives Program and other incentive based management strategies. Nebraska continues to explore stream augmentation options. Vegetation management has increased streamflow and the capacity of the stream channel. Nebraska will continue to take an active role in the Engineering Committee, and will always work with the other states to improve existing accounting methods and ensure they accurately reflect water use in the Basin.

In closing, I wish to assure you all, as well as my counterparts from our neighboring states, that Nebraska will continue to comply with the Republican River Compact. The State will continue to evaluate needs of the basin and make changes as necessary to stay in compliance, in a spirit of openness, transparency, and partnership. We expect to continue to work with all stakeholders in the basin, including the other states, the NRDs, the surface water districts and individual users, and the Bureau of Reclamation. Non-compliance is not an option for the State of Nebraska.