

Bureau of Reclamation



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

MAY 24 2006

IN REPLY REFER TO:
NK-100
ADM-13.00 BSW/FC

MEMORANDUM

To: Regional Director, Billings, Montana
Attention: GP-4500 (Gordon Aycock)

From: Alice E. Johns
Area Manager **ALICE E. JOHNS**

Subject: Copies of Republican River Irrigation District Agreements with Nebraska Department of Natural Resources (NE DNR) for Calendar Year 2006

The NE DNR entered into agreements with three irrigation districts on the Republican River to "purchase" and/or "lease" the use of the districts' water supply for calendar year 2006. Attached are copies of these agreements as follows:

1. Memorandum of Agreement dated May 10, 2006, between the State of Nebraska, Nebraska Department of Natural Resources, and the Bostwick Irrigation District in Nebraska.
2. Memorandum of Agreement dated May 10, 2006, between the State of Nebraska, Nebraska Department of Natural Resources, and the Frenchman Valley Irrigation District.
3. Memorandum of Agreement dated May 10, 2006, between the State of Nebraska, Nebraska Department of Natural Resources, and the Middle Republican Natural Resources District, and Riverside Irrigation Company, Inc.

The agreement with the Bostwick Irrigation District in Nebraska included the natural flow and storage water available in Harlan County Dam, part of the Bostwick Division project water supply. This water will be provided to the Kansas Bostwick Irrigation District, based on provisions included in Amendment No. 2 to Memorandum of Agreement between the Bostwick Districts, dated May 18, 2006 (copy attached).

The agreement with the Frenchman Valley Irrigation District included the natural flow available to the District for diversion at the headgate of Culbertson Canal. These natural flows are identified as part of the project water supply in our water service contract with the District. In order for these natural flows to remain available in the

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stream for use on Reclamation project lands, it was necessary for the NE DNR to purchase the "natural flow" from Riverside Irrigation Company, Inc. The non-diversion by Riverside will allow the natural flow to be protected for downstream diversion by Frenchman Cambridge Irrigation District at Bartley Diversion Dam for use on project lands.

If you have any questions concerning these agreements, please contact Stephen Ronshaugen (308-389-5304) or Marv Swanda (308-345-1027).

Attachments

cc: GP-3100 (Lynnette Smith)
NK-100 (Alice Johns)
NK-300 (Mike Kube)
NK-320 (Jack Wergin)
NK-400 (Marv Swanda)
w/attachments to all

WBR:SFRonshaugen:treichert:5/24/06:308-389-5304
NEDNR AgreementsRepRiver2006.doc ADM-13.00 BSW, FC

MEMORANDUM OF AGREEMENT

THIS AGREEMENT entered into on this 10th day of May in the year of 2006 by and between; The **STATE OF NEBRASKA, NEBRASKA DEPARTMENT OF NATURAL RESOURCES** hereinafter referred to as the "STATE", and **FRENCHMAN VALLEY IRRIGATION DISTRICT** hereinafter referred to as the "DISTRICT."

WITNESSETH:

WHEREAS, the District has the rights to natural flow for an identified Water Supply as hereinafter defined in Paragraph II for the calendar year 2006; and

WHEREAS, the State desires to "purchase" and/or "lease" the use of the District's Water Supply for the calendar year 2006; and

WHEREAS, the District is willing to "sell" and/or "lease" the use of its Water Supply for the calendar year 2006 to the State.

NOW THEREFORE, in consideration of these facts, the parties agree as follows:

I. DURATION OF AGREEMENT

This agreement is for the period from the execution of this Memorandum of Agreement (hereinafter "Agreement") to the end of the 2006 calendar year. There will be no extension or renewal of this Agreement unless further agreed to in writing by the parties.

II. DEFINITIONS

For purposes of the Agreement, the following term(s) are defined as follows:

"Water Supply" or "2006 Water Supply" shall mean the total amount of natural flow that would be available to the District for beneficial use at the Headgate of Culbertson Canal during the 2006 calendar year. Based on the average of natural flow diversions, as reflected in the State's records for the years 2001 to 2005, the expected water supply from natural flow is approximately 8000 Acre-Feet per year. Both parties agree that the actual amount of natural flow could be more or less than the five-year average.

III. THE DISTRICT AGREES TO PERFORM AS FOLLOWS:

A. The District agrees to relinquish the rights to the use of its Water Supply for the period from the date of the execution of this Agreement to the end of the 2006 calendar year.

B. By execution of this Agreement, the District represents and affirms that, in accordance with all relevant state statutes and District procedures, the District has received the requisite affirmative vote of its qualified electors, at a duly authorized meeting of the District, authorizing it to enter into this Agreement.

C. The District agrees to consult and collaborate with the State, the Natural Resources Districts and other basin water resource interests during the modification of the Integrated

Management Plans and associated Rules and Regulations now in effect with the several Natural Resources Districts for the Republican River Basin. The basis of these efforts shall be consistent with the letter to Governor Dave Heineman from the Nebraska Association of Resources Districts et al. dated January 9, 2006, and the letter from the Lower Republican Natural Resources District to Governor Dave Heineman dated February 1, 2006.

D. The District agrees to defend and uphold the provisions of this Agreement to ensure the purchase and/or lease of the use of the District's 2006 Water Supply to the State.

IV. THE STATE AGREES TO PERFORM AS FOLLOWS:

A. The State of Nebraska will pay the sum of four hundred thousand dollars (\$400,000.00) to the District, as payment in full to purchase and/or lease the use of the District's 2006 Water Supply, within ninety (90) days of the execution of this Agreement. This payment compensates the District for relinquishing the use of its Water Supply for the calendar year 2006 to the State for the term of this Agreement.

B. The State agrees to consult and collaborate with the District, the Natural Resources Districts and other basin water resource interests during the modification of the Integrated Management Plans and associated Rules and Regulations now in effect with the several Natural Resources Districts for the Republican River Basin. The basis of these efforts shall be consistent with the letter to Governor Dave Heineman from the Nebraska Association of Resources Districts et al. dated January 9, 2006, and the letter from the Lower Republican Natural Resources District to Governor Dave Heineman dated February 1, 2006.

C. The State will continue to work with the Natural Resources Districts and surface water irrigation districts to meet Nebraska's obligations under the Republican River Compact and Settlement Agreements.

D. By execution of this Agreement, the State represents and affirms that it has appropriated and secured the funds necessary to meet its obligations under this Agreement.

E. The State agrees to defend and uphold the provisions of this Agreement to ensure the purchase and/or lease of the use of the District's 2006 Water Supply to the State.

FRENCHMAN VALLEY IRRIGATION DISTRICT

Clarence Jankovits Jr
Clarence Jankovits, Board President
Frenchman Valley Irrigation District

5-15-06
Date

NEBRASKA DEPARTMENT OF NATURAL RESOURCES

Ann Reed
Ann Reed, Acting Director
Nebraska Department of Natural Resources

5/10/06
Date

APPROVED

AS TO FORM & CONTENT
BY NDNR LEGAL COUNSEL

ASD DATE 5/9/06

MEMORANDUM OF AGREEMENT

THIS AGREEMENT entered into on this 10th day of May in the year of 2006 by and between; The **STATE OF NEBRASKA, NEBRASKA DEPARTMENT OF NATURAL RESOURCES** hereinafter referred to as the "STATE", The **MIDDLE REPUBLICAN NATURAL RESOURCES DISTRICT** hereinafter referred to as the "DISTRICT", and **RIVERSIDE IRRIGATION COMPANY, INC.** hereinafter referred to as the "COMPANY,"

WITNESSETH:

WHEREAS, the Company has the rights to natural flow for an identified Water Supply as hereinafter defined in Paragraph II for the year 2006; and

WHEREAS, the State and the District desire to "purchase" and/or "lease" the use of the Company's Water Supply for the calendar year 2006; and

WHEREAS, the Company is willing to "sell" and/or "lease" the use of its Water Supply for the calendar year 2006 to the State and the District.

NOW THEREFORE, in consideration of these facts, the parties agree as follows:

I. DURATION OF AGREEMENT

This agreement is for the period from the execution of this Memorandum of Agreement (hereinafter "Agreement") to the end of the 2006 calendar year. There will be no extension or renewal of this Agreement unless further agreed to in writing by the parties.

II. DEFINITIONS

For purposes of the Agreement, the following term(s) are defined as follows:

"Water Supply" or "2006 Water Supply" shall mean the total amount of natural flow that would be available to the Company for beneficial use at the Headgate of Riverside Canal during the 2006 calendar year. Based on the average of natural flow diversions, as reflected in the State's records for the years 2001 to 2005, the expected water supply from natural flow is approximately 2000 Acre-Feet per year. Both parties agree that the actual amount of natural flow could be more or less than the five-year average.

III. THE COMPANY AGREES TO PERFORM AS FOLLOWS:

A. The Company agrees to relinquish the rights to the use of its Water Supply for the period from the date of the execution of this Agreement to the end of the 2006 calendar year.

B. By execution of this Agreement, the Company represents and affirms that, in accordance with all relevant state statutes and Company procedures, the Company has received the requisite affirmative vote of its qualified electors, at a duly authorized meeting of the Company, authorizing it to enter into this Agreement.

C. The Company agrees to consult and collaborate with the State, the Natural Resources Districts and other basin water resource interests during the modification of the Integrated Management Plans and associated Rules and Regulations now in effect with the several Natural Resources Districts for the Republican River Basin. The basis of these efforts shall be consistent with the letter to Governor Dave Heineman from the Nebraska Association of Resources Districts et al. dated January 9, 2006.

D. The Company agrees to defend and uphold the provisions of this Agreement to ensure the purchase and/or lease of the use of the Company's 2006 Water Supply to the State.

IV. THE STATE AND THE DISTRICT AGREE TO PERFORM AS FOLLOWS:

A. The State and the District will each pay the sum of fifty thousand dollars (\$50,000.00) to the Company, for a total payment of one hundred thousand dollars (\$100,000.00), as payment in full to purchase and/or lease the use of the Company's 2006 Water Supply, within ninety (90) days of the execution of this Agreement. These payments compensate the Company for relinquishing the use of its Water Supply for the calendar year 2006 to the State and the District for the term of this Agreement.

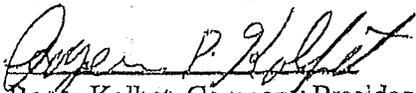
B. The State agrees to consult and collaborate with the Company, the Natural Resources Districts and other basin water resource interests during the modification of the Integrated Management Plans and associated Rules and Regulations now in effect with the several Natural Resources Districts for the Republican River Basin. The basis of these efforts shall be consistent with the letter to Governor Dave Heineman from the Nebraska Association of Resources Districts et al. dated January 9, 2006.

C. The State will continue to work with the Natural Resources Districts and surface water irrigation districts to meet Nebraska's obligations under the Republican River Compact and Settlement Agreements.

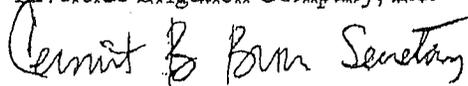
D. By execution of this Agreement, both the State and the District represent and affirm that they have appropriated and secured the funds necessary to meet their obligations under this Agreement.

E. Both the State and the District agree to defend and uphold the provisions of this Agreement to ensure the purchase and/or lease of the use of the Company's 2006 Water Supply to the State and the District.

RIVERSIDE IRRIGATION COMPANY, INC.


Roger Kolbet, Company President
Riverside Irrigation Company, Inc.

5/15/06
Date



FROM : Goodwin Law Offices

FAX NO. : 345-2581

May, 23 2006 10:03AM P4

NEBRASKA DEPARTMENT OF NATURAL RESOURCES

Ann Bleed
Ann Bleed, Acting Director
Nebraska Department of Natural Resources

5/19/06
Date

APPROVED

AS TO FORM & CONTENT
BY NDNR LEGAL COUNSEL

ADD DATE 5/19/06

MIDDLE REPUBLICAN NATURAL RESOURCES DISTRICT

Gayle Haag
Gayle Haag, Board President
Middle Republican Natural Resources District

5/18/06
Date