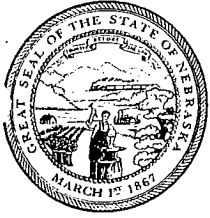


STATE OF NEBRASKA



DEPARTMENT OF NATURAL RESOURCES
Roger K. Patterson
Director

October 7, 2003

IN REPLY REFER TO:

Mike Johanns
Governor

Gayle Haag
Middle Republican NRD
PO Box 81
Curtis, NE 69025

Dear Gayle,

Thank you for your letter of September 9 concerning the "Imported Water Supply" identified in the Republican River settlement. I share your view that the "mound" and the resulting credit received by Nebraska are important to Nebraska's overall ability to achieve Compact compliance. Our ability to monitor the activities and water flow in the mound will become increasingly important if in fact we see declines in the imported water supply in the future as you indicate.

Please understand, however, that we have no authority to obligate CNPPID or NPPD to protect "imported" water into the Republican Basin. We were very clear during the settlement negotiations that we intended to place no obligation on the districts in this regard.

We will work very closely with CNPPID and NPPD to gather the needed info and data and make sure they understand the importance of their operation to the Republican River Compact. However, our ability to control the amount of "credit" received by Nebraska will largely be determined by the amount of pumping that occurs in the "mound" area.

We will continue to work closely with the Republican River NRDs as well as the Irrigation and Public Power Districts and other stake holders as we implement the settlement.

Sincerely,

A handwritten signature in cursive script that reads "Roger K. Patterson".

Roger K. Patterson
Director

pjb