

STATE OF NEBRASKA



DEPARTMENT OF NATURAL RESOURCES
Roger K. Patterson
Director

January 21, 2003

IN REPLY REFER TO:

Mike Johanns
Governor

Mike Clements
Lower Republican NRD
PO Box 618
Alma, NE 68920

Dear Mike,

Thank you for your letter of January 16, 2003, concerning the Republican Basin settlement and the costs of implementing that settlement. We too are pleased that it was possible to reach a settlement and very much appreciate the willingness of the NRDs and others in the basin to be a significant part of the settlement process. I know it was not the easiest thing for you and your board to step forward and agree to do the things that were necessary to reach the settlement. We also understand that funding will need to be made available to meet the needs of the NRDs if we are to assure successful implementation of the settlement.

I'm pleased to report that the budget proposal that Governor Johanns presented to the Legislature on January 15, 2003, included the projected funding that the Department and the four NRDs requested for implementation costs. The Legislature's Appropriations Committee will now have the task of reviewing all of the State's financial needs and will hold hearings on each agency's budget over the next couple of months and present their proposed budget to the full Legislature sometime in late April or May. Final approval of the State's budget for the next two years will probably not come until early June. We intend to testify at our Department's hearing and fully support the Governor's proposed budget including the implementation costs for the Republican Basin settlement.

While we are not in a position to make a firm commitment that resources will be available to implement the settlement, we are committed to support the Governor's proposed inclusion of those funds. We fully appreciate the position of your board and the other boards, and feel confident that funding will be forthcoming. The support of NARD and the four NRD boards will be critical in assuring that funding is made available.

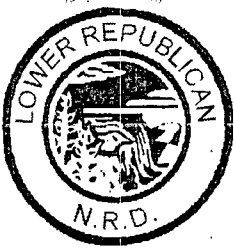
We appreciate your comments and support and look forward to working with you on this process.

Sincerely,

Handwritten signature of Roger K. Patterson in black ink.

Roger K. Patterson
Director

gs



Lower Republican Natural Resources District

January 16, 2003

Roger Patterson, Director
NE Dept. Natural Resources
PO Box 94876
Lincoln, NE 68509-4676

RECEIVED
JAN 17 2003
DEPARTMENT OF
NATURAL RESOURCES

Re: Settlement Implementation Costs

Dear Roger:

On behalf of the Board of Directors and myself, I would like to commend you and your staff for your hard work and diligence throughout the whole settlement process. We feel that the best was made out of a difficult situation.

Roger, the concern that our Board has is that the Lower Republican Natural Resources District will not receive the necessary funding needed to begin implementing the settlement process. I know that you recently said we would receive the amount submitted in my budget dated October 18, 2002. I am enclosing a copy of that budget as well as figures for the other NRDs and yours at DNR. If it's possible, our Board would like to see something in writing to document this.

Our Board has cooperated and worked in good faith in support of the settlement. As you know Roger, there are huge challenges and opportunities that lie ahead for the NRDs and the State. That's where it gets difficult for a small NRD like ours. Without the funding it will be impossible for us to see this process through.

I appreciate your support and look forward to hearing from you soon pertaining to our request.

Sincerely,

Michael Clements

Michael Clements
General Manager

MC/cm

enclosure: Settlement Implementation Budgets

copy: Governor Mike Johanns Senator Ed Schrock
 Dave Cookson Garold Ohmstede

Republican River Settlement Implementation Budget

	2003-04	2004-05
Support Work of NRDs		
Upper Republican	125,700	40,500
Middle Republican	137,250	76,000
Lower Republican	179,760	74,000
Tri-Basin	109,750	74,000
	552,460	264,500
Support 4 FTE @ DNR		
2 Engr/Hydrologists/GIS Spec	114,000	114,000
2 Field Technicians	81,000	81,000
Decision Support System	35,000	35,000
Equipment	100,000	50,000
Consultants	200,000	200,000
Cost-Share of Joint Feasibility Study	50,000	187,500
Cost-Share on Soil Conservation Study With Colorado, Kansas & Feds	16,700	16,700
SUB-TOTAL	1,149,150	948,700
Meters		
Upper Republican	15,000	15,000
Middle Republican	300,000	300,000
Lower Republican	449,000	449,000
Tri-Basin	376,000	375,000
	1,139,000	1,139,000
GRAND TOTAL	\$ 2,288,150	\$ 2,087,700