

INTERLOCAL COOPERATION ACT AGREEMENT

This Agreement is entered into by and between

Central Platte Natural Resources District (CPNRD)
Nebraska Public Power District (NPPD)
Nebraska Department of Natural Resources (NDNR)

all of which are political subdivisions or state agencies of and are situated in the State of Nebraska and referred to as parties hereinafter.

IT IS AGREED BY AND BETWEEN THE PARTIES HERETO, EACH ACKNOWLEDGING THE RECEIPT OF GOOD, ADEQUATE, AND VALUABLE CONSIDERATION, AS FOLLOWS:

1. AUTHORITY: This Agreement is made and entered into by the parties pursuant to the authority conferred upon each under the Interlocal Cooperation Act, Neb. Rev. Stat. §13-801 through §13-827.

2. PURPOSES OF AGREEMENT: The parties to this agreement desire to jointly undertake certain activities relating to the development and implementation of a conjunctive water resources management plan for portions of the Central Platte River Basin in Nebraska. Such activities shall hereinafter be referred to collectively as the Project. The purpose of this agreement is to provide the authority, resources, services, studies, and facilities needed for the parties to jointly undertake and complete the Project, which shall consist of the following: (1) developing a conjunctive water resource management plan, the purpose of which would be to optimize, consistent with the provisions of sections 46-713 through 46-719, Nebraska Revised Statutes, the availability of water to ground water and surface water users who are within both the boundaries of the CPNRD and the area within which NPPD delivers natural flow and storage water for surface water irrigation systems; (2) informing and educating the public concerning the surface water and ground water resources of the project area and the effects and impacts of changes in water supply or use on the people and resources of the State of Nebraska, and (3) performing and pursuing such other activities concerning such other matters related to the Project as the parties to this Agreement may determine necessary and beneficial, including the development of recommendations regarding implementation of the conjunctive surface water and ground water plan as developed. This Agreement also provides for the organizational and administrative structure and enumeration of the powers, privileges and authorities to be exercised jointly by the parties. Those powers, privileges and authorities shall not exceed the powers, privileges or authorities exercised or capable of being exercised by each of the parties to this Agreement, nor shall they be used in a manner that is in violation of any of the parties' public purposes.

3. JOINT BOARD: A Joint Board is hereby established for the purposes of managing the joint affairs, actions and other business of the parties relative to the Project. Each party shall have one member and may, at its discretion, designate one alternate member who will represent that party in the event the member is unable to attend a meeting of the Joint Board. Each member (or, when applicable, alternate member) of the Joint Board shall be entitled to one vote on all matters coming before the Joint Board. The affirmative vote of the member or alternate for each party shall be required for the Joint Board to take action. The members and alternates of the Joint Board representing CPNRD and NPPD shall be appointed by their respective governing boards and the Joint Board member and alternate representing NDNR shall be appointed by the Director of Natural Resources. Each Joint Board member and alternate shall serve at the pleasure of his or her respective organization. Any vacancy which occurs in the Joint Board shall be filled within 60 days through the appointment of a replacement by the represented party. The Joint Board shall guide Project activities and shall approve Project budgets, Project expenditures

and such contractual arrangements with other persons as the Joint Board deems necessary. Meetings of the Joint Board shall be conducted at least annually and at such other times as may be required to proceed with and bring the Project to a timely completion. All members of the Joint Board must be present to constitute a quorum for the transaction of business. A lesser number in attendance at any meeting shall have power to adjourn the meeting.

4. CHAIR: The parties shall select a Joint Board Chair who shall preside at all the meetings of the Joint Board, shall decide all questions of order and have such general powers as shall be required for the conduct of the affairs of the Joint Board. The Chair shall arrange for the preparation of minutes of all meetings conducted by the Joint Board and for providing such minutes and any other records of the Joint Board to the other members.

5. ADMINISTRATIVE RESPONSIBILITY: The Joint Board shall select one of the parties to this Agreement to serve as the party primarily responsible for administrative matters pertaining to the Project. Such selected party shall be referred to hereinafter as the Administrator Party. The Administrator Party shall have the following powers, responsibilities and authorities:

- (a) Establish a separate bank account into which all funds contributed by the parties pursuant to Paragraph 6. of this Agreement or by other persons for the purposes of the Project are deposited and from which payments approved by the Joint Board are made;
- (b) Make such payments from such separate bank account as are authorized by the Joint Board;
- (c) Prepare and submit in writing to each party prior to each meeting of the Joint Board and at such other times as requested by any individual party a report of the state of the finances of the Project;
- (d) Receive, and accept, on behalf of the Joint Board, donations, gifts, grants, bequests, appropriations or other contributions or assistance in monies, services, materials or otherwise from the United States or any of its agencies, from the state or any of its agencies or political subdivisions, or from any persons;
- (e) Employ such persons as are authorized by the Joint Board as necessary to carry out the purposes of the Project and this Agreement;
- (f) Make and execute, as approved by the Joint Board, such contracts and other instruments as are necessary for the completion of the Project
- (g) Perform such other duties related to administration of the Project as are approved by the Joint Board.

Notwithstanding the delegation of the powers, responsibilities and authorities to the Administrator Party, nothing in this Agreement shall operate to relieve any party hereto of any obligation or responsibility imposed upon it by law nor shall this Agreement or its operation preclude any party hereto from conducting or pursuing independent action in regard to each party's separate and independent obligations or responsibilities.

6. FINANCES AND BUDGET: The parties anticipate the following three-phase process for this Project; (1) gather data and information (Phase I); (2) develop a conjunctive management plan (Phase II); and (3) implement the Plan (Phase III). A decision to proceed with Phase II and Phase III will be made by the parties upon completion of the previous Phase. The costs for implementing Phase I are estimated at \$120,000 to be shared by the parties, and each party, subject to appropriations and to board approval, as applicable, will provide the following funds and in-kind contributions for the Phase I activities of the Project:

<u>Party</u>	Phase I Contributions	
	<u>\$Cash</u>	<u>\$In-Kind</u>
Central Platte Natural Resources District	\$15,000	\$20,000
Nebraska Public Power District	\$15,000	\$45,000
Nebraska Department of Natural Resources	\$15,000	\$10,000
Totals	\$45,000	\$75,000 = \$120,000

Costs for Phases II and III will be determined by the Joint Board prior to undertaking any such subsequent phase. Annually, beginning no more than 30 days after the initial meeting of the Joint Board, and continuing each year thereafter during the existence of this Agreement, the Joint Board shall establish and adopt a budget for prosecuting and completing the Project.

Upon completion of each annual budget, the Joint Board shall determine the amount of funds, if any, that are to be contributed by each party to further the purposes of this Agreement. In addition, the Joint Board may solicit such contributions and other funds and monies, as may be made available for the Project, from all persons, associations, and entities of any kind whatsoever including persons not a party to this Agreement.

7. WITHDRAWAL: Any party to this Agreement may withdraw from this Agreement and from representation on the Joint Board upon written notification to the Chair. Withdrawal by any party shall cause this Agreement to be terminated upon receipt by the other parties of the written notification and shall result in immediate dissolution of the Joint Board. Any party withdrawing from the Agreement shall remain liable for a one-third share of any costs properly approved and incurred through the effective date and time of withdrawal to the extent such costs exceed all sums then available for Project expenses. Costs for labor and services are not considered incurred until the work has been performed for the Project.

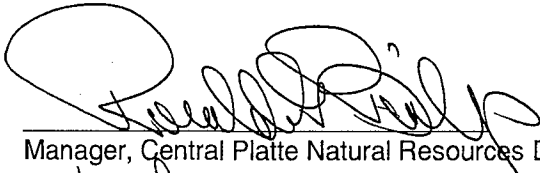
8. DURATION AND TERMINATION: This Agreement and the Joint Board created hereby shall continue in existence until May 1, 2010 unless terminated as a result of (a) the withdrawal of one of the parties; (b) the completion of the Project; or (c) action by the Joint Board to terminate the Project. Whenever termination occurs, all outstanding debts and obligations relating to the Project shall be paid and all unused funds that were contributed by the parties shall be returned to the parties in such proportion as represented by each party's pro rata share of the total cash contributions paid by all parties prior to the date of termination. Any equipment, supplies or other personal property acquired by a party for the purposes of this Agreement shall remain the property of that party following termination of this Agreement unless the Joint Board provided otherwise at the time such property was acquired.

9. AMENDMENT AND MODIFICATION: This Agreement may be extended or otherwise amended or modified upon the approval of written modifications by each party hereto in writing approved by the governing body or other administrative head of such party.

10. EFFECTIVE DATE: This Agreement shall be effective as soon as signed by the authorized representatives of all parties.

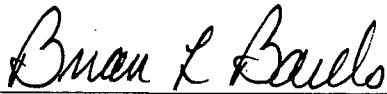
SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO
INTERLOCAL COOPERATION ACT AGREEMENT



Manager, Central Platte Natural Resources District

March 18, 2005
Date



Water Resources Manager, Nebraska Public Power District

2-23-05
Date



Director of Natural Resources

Date

APPROVED

AS TO FORM & CONTENT
BY NDNR LEGAL COUNSEL

JRC DATE 2-22-2005