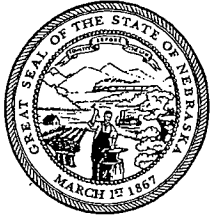


STATE OF NEBRASKA



DEPARTMENT OF NATURAL RESOURCES
Roger K. Patterson
Director

October 13, 2004

IN REPLY REFER TO:

Mike Johanns
Governor

Jack Wergin
U. S. Bureau of Reclamation
P.O. Box 1670
Grand Island, NE 68802

RE: Semi-Annual Report on Agreement No. 03FC601826 for Improved Hydrologic Data Collection Systems for Drought Monitoring and Request for Reimbursement on Same Agreement

Dear Jack:

Attached is our second semi-annual report for *Agreement No. 03FC601826 Improved Hydrologic Data Collection Systems for Drought Monitoring*, and a request for reimbursement under the same agreement. I have attached a copy of a completed Standard Form 270. I have also attached copies of the bills we received and have since paid on the Republican Basin Storage, Wiski Software Suite and to a contractor on earth satellite assignments. The actual expenditures can be broken down as follows:

2,000	Assistance in acquiring satellite data collection program addresses (from last year's funds)
17,998	Portion of WISKI software (from last years funds)
5,202	Remainder of WISKI software (categorized as "Improve Distribution of Streamflow Data via the Internet" on this year's funds)
\$151,000	Increased Republican Basin Storage
\$176,200	Total

Jack, please note that during the same time period we are seeking \$47,310.59 in reimbursement under the same agreement from the Mills Office of the Bureau of Reclamation. That request is for the Water Set aside on Lake McConaughy. As I discussed with you, we are sorry the semi-annual report is late, but it was held up in order to reflect the round of spending that was allowed

clrshare/planning

301 Centennial Mall South, 4th Floor • P.O. Box 94676 • Lincoln, Nebraska 68509-4676 • Phone (402) 471-2363 • Telefax (402)471-2900

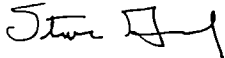
An Equal Opportunity/Affirmative Action Employer

DNR 009389

Jack Wergin
September 21, 2004
Page 2

by approval of the amendments to the contract. Thanks for your efforts in helping us expedite use of the funds. I look forward to continuing to work with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Gaul". The signature is written in a cursive style with a prominent initial "S" and a long, sweeping underline.

Steve Gaul
Supervisor, Planning and Assistance Division

Attachments

REQUEST FOR ADVANCE OR REIMBURSEMENT

(See instructions on back)

OMB APPROVAL NO. PAGE OF
PAGES
0348-0004

1. TYPE OF PAYMENT REQUESTED

a. "X" one or both boxes
 ADVANCE REIMBURSEMENT

b. "X" the applicable box
 FINAL PARTIAL

2. BASIS OF REQUEST

CASH
 ACCRUAL

3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED
 U.S. Bureau of Reclamation, Kansas-Nebraska Area

4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY
 03C601826

5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST

6. EMPLOYER IDENTIFICATION NUMBER
 47-0491233

7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER

8. PERIOD COVERED BY THIS REQUEST
 FROM (month, day, year)
 January 30, 2004

TO (month, day, year)
 October 13, 2004

9. RECIPIENT ORGANIZATION

Name: Department of Natural Resources

Number and Street: 4th Floor, NSOB, P.O. Box 94676

City, State and ZIP Code: Lincoln, NE 68509-4676

10. PAYEE (Where check is to be sent if different than item 9)

Name:

Number and Street:

City, State and ZIP Code:

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED

PROGRAMS/FUNCTIONS/ACTIVITIES	(a) Increased Republican Basin Storage	(b) Computer and Software (from last year's budget)	(c) Improve Distribution of Streamflow Data via the Internet	TOTAL
a. Total program outlays to date (As of date) Oct 13 2004	\$ 151,500	\$ 19,998	\$ 5,202	\$ 176,700
b. Less: Cumulative program income				
c. Net program outlays (Line a minus line b)	151,500	19,998	5,202	176,700
d. Estimated net cash outlays for advance period				
e. Total (Sum of lines c & d)	151,500	19,998	5,202	176,700
f. Non-Federal share of amount on line e				
g. Federal share of amount on line e				
h. Federal payments previously requested				
i. Federal share now requested (Line g minus line h)	151,500	19,998	5,202	176,700
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances:				
1st month				
2nd month				
3rd month				

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY

a. Estimated Federal cash outlays that will be made during period covered by the advance	\$
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period	
c. Amount requested (Line a minus line b)	\$

AUTHORIZED FOR LOCAL REPRODUCTION

(Continued on Reverse)

STANDARD FORM 270 (Rev. 7-97)
 Prescribed by OMB Circulars A-102 and A-110

Semi-Annual Program Performance Report Agreement 03FC601826
Improved Hydrologic Data Collection Systems for Drought Monitoring
October 13, 2004

(A) A Comparison of Actual Accomplishments with the Goals and Objectives Reported for the Reporting Period

Goals for this project were reported for the terms of the individual sub-project rather than the reporting period. For those projects the following progress was made:

Items for which full or partial work was completed.

- (1) Computers and software (from funds granted in August 2003) funding from funds granted in August 2003 was completed in the reporting period with this expenditure. Expenses included \$2,000 for satellite assignment and operating information and \$17,998 of a \$23,200 bill for software to be used in placing streamgaging information on the internet.

- (2) Improved Distribution of Streamflow Data via the Internet

This category was used to pay for the remainder of streamgaging software purchase. This WISKI suite software and its related administrative package should assist the Nebraska Department of Natural Resources in acquiring and displaying streamgaging data in something closer to a real-time status. It accounts for \$5,202.

This is only the first expenditure in the overall category.

- (3) Increased Republican Basin Storage

Expenditures in this category were initiated and completed during the reporting period. Agreements were signed with all four targeted irrigation districts to hold the required water. \$151,000 was expended for this purpose, helping maintain lake levels in a time of drought.

- (4) Lake McConaughy Water Set-Aside

Expenditures in this category were initiated and completed during the reporting period. An agreement was signed with Central Nebraska Public Power and Irrigation District to leave the required water in the lake and \$47,310.59 was expended for this purpose, helping maintain lake levels during a time of drought. CNPPID has also matched this funding to set-aside additional water.

No other work has been charged on the following sub-items:

- (5) Update Drought Mitigation Plan
- (6) Flow Meter Cost Share in the South Platte Natural Resources District
- (7) On-site Computer Capabilities for Southwest Distribution
- (8) Place a streamgage in the South Platte near Paxton
- (9) Provide flow measurement equipment to DNR
- (10) Upgrade gaging equipment in the Republican Basin

(B) Where Project Output can be Quantified, a Compilation of the Cost per Unit of Output

For most of the subprojects noted above there are not useful methods of quantifying the cost per unit of output in the longer term, the exceptions are likely to be the water set-aside for Lake McConaughy. A report from Central Nebraska Public Power and Irrigation District to Nebraska Department of Natural Resources due by the end of this year should supply information on the costs paid per unit of water on that project.

(C) When Appropriate, Why Goals and Objectives Were Not Met

All items anticipated to be completed by this data have been completed, although the real-time downlink purchase and installation of streamgaging software has just been completed and use of the software suite will not be complete yet for a number of months.

(D) Other Pertinent Data

A complicating factor for this report is that the period it covered saw completion of use of funds from one fiscal year and initiation of use from another. This document report on the expenditure of \$19,998 which completes use of the \$204,012.59 allocated to this project in the original July 2003 agreement. However, it also notes \$206,702 in expenditures from funds granted in calendar year 2004.

FRENCHMAN VALLEY IRRIGATION DISTRICT
PO BOX 297
CULBERTSON, NE 69024
(308) 278-2125

47-6000167

August 6, 2004

RECEIVED

AUG 09 2004

DEPARTMENT OF
NATURAL RESOURCES

Mr. Roger Patterson, Director
Nebraska Dept. of Natural Resources
301 Centennial Mall South
PO Box 94676
Lincoln, NE 68509-4676

Dear Mr. Patterson:

The Frenchman Valley Irrigation District has signed and submitted to your department the Memorandum of Agreement for Drought Assistance for Increased Reservoir Storage.

The District is fulfilling the duties and obligations set forth in said Memorandum of Agreement for the 2004 irrigation season and, therefore, requests payment of the funds as per the Agreement.

\$ 10,000

Respectfully,

Don Felker

Don Felker, Manager
Frenchman Valley Irrigation District

USBR Grant -

03FC601826

BU-29044003

H. & R.W. IRRIGATION DISTRICT
PO BOX 297
CULBERTSON, NE 69024
(308) 278-2125

476000167

August 6, 2004

RECEIVED

AUG 09 2004

DEPARTMENT OF
NATURAL RESOURCES

Mr. Roger Patterson, Director
Nebraska Dept. of Natural Resources
301 Centennial Mall South
PO Box 94676
Lincoln, NE 68509-4676

Dear Mr. Patterson:

The H. & R.W. Irrigation District has signed and submitted to your department the Memorandum of Agreement for Drought Assistance for Increased Reservoir Storage.

The District is fulfilling the duties and obligations set forth in said Memorandum of Agreement for the 2004 irrigation season and, therefore, requests payment of the funds as per the Agreement.

\$19,000

Respectfully,

Don Felker

Don Felker, Manager
H. & R.W. Irrigation District

USBR grant -
03FC601826

BU 29044003

CONTRACT (LW) - 8864

PO (09) - 23810 V 9/19/04 AB

REC (00) POL 27318 B 436423 ~~4194~~ 089-2204

B# 442030 DOC 4019123

BU - 29044003

55490

I N V O I C E

FRENCHMAN-CAMBRIDGE IRRIGATION
P.O. BOX 116
W HWY 6 & 34
CAMBRIDGE, NE 69022

INVOICE #: T2062

INVOICE DATE: 06 AUG 2004

Telephone: 308-697-4535

STATE OF NEBRASKA
DEPT. OF NATURAL RESOURCES
P.O. BOX 94676
LINCOLN, NE 68509

CUSTOMER #: 627 (402-471-2363)

ATTN: ROGER PATTERSON

PAYMENT TERMS: 30 DAYS TO PAY DUE DATE IS 05 SEP 2004

QUANTITY	CHARGE CODE	DESCRIPTION	AMOUNT
0.00	MC	- DROUGHT ASSISTANCE FOR INCREASED RESERVOIR STORAGE	81,250.00
		INVOICE TOTAL	81,250.00
		INVOICE BALANCE	81,250.00

Thank you for your business.

USBR Grant - 03FC601826

BOSTWICK IRRIGATION DISTRICT IN NEBRASKA

PO. BOX 446 • Red cloud, Nebraska 68970-0446 • Ph/Fax: (402) 746-3424

Contract (04) 8868

PO (09) - 23811 ✓ 9/15/04 AB

Rec (09) Doc 27317 B. 436423 ~~9-22-04~~ 9-22-04

August 18, 2004

B# 442030 Doc 409135

RECEIVED

AUG 20 2004

DEPARTMENT OF
NATURAL RESOURCES

State of Nebraska
Department of Natural Resources
Roger K Patterson, Director
PO Box 94676
Lincoln, Nebraska 68509-4676

Mr. Patterson:

In accordance with the Memorandum of Agreement No. 03FC601826 between the Nebraska Department of Natural Resources and the Bostwick Irrigation District in Nebraska for drought assistance for increased reservoir storage we are hereby submitting a claim in the amount of \$41,250.00.

Sincerely,



Michael D Delka
District manager

USBR Grant - 03FC601826

BU - 27044003

Contract(04)- 8865
PO(09)- 23812 ✓ 9/15/04 RB
Rec.(0V)- DOC 27316 B.436423 9-22-04
B# 442030 DOC 4019150
USBR grant - 03FC 601826
BU-29044002
55

**Memorandum of Agreement
Between
Central Nebraska Public Power and Irrigation District (the "District")
And the
Nebraska Department of Natural Resources (the "Department")
For
Drought Assistance for Water Set-Aside in Lake McConaughy
(the "Agreement")**

WHEREAS, drought induced low reservoir levels in Lake McConaughy threaten a variety of uses, including irrigation, fish, wildlife, and recreation; and

WHEREAS, leaving additional storage water in that reservoir during the 2004 irrigation season would help sustain in-reservoir uses as well as provide additional water for the next irrigation season; and

WHEREAS, the Bureau of Reclamation (Reclamation) has approved the State of Nebraska for drought assistance in 2004 by authority of the Reclamation States Emergency Drought Relief Act of 1991;

WHEREAS, Reclamation has approved drought funding assistance to the Department through Cooperative Agreement No. 03FC601826 (the "Cooperative Agreement") (a copy of which is attached hereto as Exhibit A) for a project that will result in additional storage water in Lake McConaughy.

NOW THEREFORE, the parties agree as follows:

- 1) The District agrees to:
 - a) reimburse irrigators that rely on Lake McConaughy for refraining from using surface water during the 2004 growing season on a bid per acre foot basis. This is to be brought about by agreements between the District and individual irrigators;
 - b) provide \$50,000 in funds, to match \$50,000 in funds to be received by the Department from Reclamation, the aggregate of which funds are to be used to provide reimbursement to those agreeing to refrain from irrigating with surface water from Lake McConaughy, and
 - c) provide, by December 31, 2004, a report to the Department that indicates the amount of water subject to signed agreements with irrigators to refrain from use of surface water, a list of such irrigators, and the amount of reimbursement received by each irrigator.

5. The term of this Agreement shall be through fiscal year 2004, ending December 31, 2004, with the exception that any obligation of the District pursuant to the Cooperative Agreement, shall be performed by the District according to the terms of the applicable obligation.
6. This Agreement may be modified at any time by mutual written agreement of the parties.
- 7) The program is described in the attachment "Project #1 - Platte McConaughy Water Set-Aside."

**Central Nebraska Public Power
and Irrigation District**

By: Don Kraus
Name: Don Kraus
Date: 8/23/04

**Nebraska Department of
Natural Resources**

By: Roger K. Patterson
Name: Roger K. Patterson
Date: 8/19/04

APPROVED

TO FORM & CONTENT
BY NDNR LEGAL COUNSEL

DATE 8/18/04

Fish and Wildlife

Water is important to wildlife and the environment, and it become critical during periods of drought. Lake McConaughy is a unique aquatic habitat in an otherwise semi-arid grassland. The lake and the wetlands in the Sandhills to the north attract species not found in typical grasslands. Drought and falling water tables dried the smaller wetlands of the area and the lake has become a refuge for a variety of mammals, amphibians and reptiles as well as songbirds, waterfowl and shore birds like the endangered interior least tern and the threatened piping plover. The least tern is dependent upon the diversity of small fish present in the lake, and the piping plover is dependant upon emergent invertebrates associated with the shoreline of the lake. In 2003, 111 pair of piping plovers successfully nested at Lake McConaughy, one of the largest concentrations of this species ever identified in Nebraska.

In addition, Lake McConaughy is one of the most important recreational fisheries in the State. The depth of the lake as well as the volume of water it contains impact both recreational and non-recreational species. With the lake at low levels, the slope of the beaches increases such that small changes in volume cause significant changes in depth. The depth of Lake McConaughy also has an impact on the water quality in Lake Ogallala, a trout fishery managed by the Nebraska Game and Parks Commission.

Lake McConaughy also contains an Environmental Account, which is a "block of water" set aside in Lake McConaughy to supplement flows in the Platte River. Water is released from this account when needed downstream. These water releases are tracked and protected by Nebraska water law so that the water may provide beneficial instream flows for threatened and endangered species.

Irrigation

More than 220,000 acres in the Platte Valley rely on Lake McConaughy for irrigation water. Another 300,000 acres benefit from groundwater recharge from the surface water delivery systems. The drought has forced many irrigation districts and companies in southern Nebraska to reduce or eliminate irrigation deliveries. In the Platte Valley, low water levels at Lake McConaughy will restrict irrigation deliveries to more than 11,000 acres in 2004. However, drought protection provided by Lake McConaughy has helped offset the lack of precipitation and ensure crop production. In fact, average corn yields in Phelps County -- where Central serves more than 50,000 acres -- were the highest in Nebraska in 2003.

Budget

The Drought Assistance proposal budget for this activity is \$50,000 in Bureau funds and \$50,000 in matching funds from Central Nebraska Public Power and Irrigation District.

Copy B 315788

INVOICE

Mark Heggli
1277 Coon Ct.
Cool, California 95614
TEL/FAX 530.885.8858

INVOICE NO: 251
DATE: March 5, 2004

Steve:

This is a copy of the
Invoice for the \$2000
you were asking about.
JPH 9-2-04

To: State of Nebraska
Department of Natural Resources
Attn: Guy Lindeman
Lincoln, Nebraska

Ship To:

SALESPERSON	P.O. NUMBER	DATE SHIPPED	SHIPPED VIA	F.O.B. POINT	TERMS
					Net 30

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
1	Per Agreement, assist the DNR in acquiring 50 DCP addresses from NOAA/NESDIS for the purpose of transmitting real time hydrologic information through the GOES satellite. Provide documentation titled "Procedures to Acquire, Implement, and Maintain Geostationay Orbiting Earth Satellite (GOES) Assignments Provided by the National Environmental Data Information Service (NESDIS)	\$2,000.00	\$2,000.00
		SUBTOTAL	\$2,000.00
		SALES TAX	
		SHIPPING & HANDLING	
		TOTAL DUE	\$2,000.00

Make all checks payable to: Mark Heggli
If you have any questions concerning this invoice,
call: Mark Heggli, 530.885.8858,
email: Mark.Heggli@InnovativeHydrology.com

Banking Information for Wire Transfers:

Bank Name: Golden1 Credit Union
Bank Address: 1108 O Street, P.O. Box 15966, Sacramento, California 95852-1966
Account Number: 25386
Routing Number: 321175261

THANK YOU FOR YOUR BUSINESS!

B.436420

JBS Instruments
 311 D Street, Suite A
 West Sacramento, CA 95605
 tel. 916.372.0534
 fax 916.372.1624

Invoice

DATE	INVOICE #
8/16/2004	12745



Nebraska DNR
 Guy Lindeman
 301 Centinell Mall South
 Lincoln, NE
 68509

P.O. NO.	TERMS	REP	SHIP VIA
60172	Net 30 days		UPS

ITEM	DESCRIPTION	QTY	RATE	AMOUNT
1 - WISKI 1	Software WISKI Software - 1 user	1	8,000.00	8,000.00
2 - WISKI 2-5	WISKI Software User 2 through 5 (per user)	4	7,000.00	28,000.00
User Admin	WISKI Admin SuiteE	1	5,000.00	5,000.00
Calc Server	Database - Server	1	0.00	0.00
Discount	WHS Upgrade Discount		-36,000.00	-36,000.00
WISKI 1 Ma...	Annual Maintenance fees WISKI Software User 1 Annual Maintenance Fee	1	1,600.00	1,600.00
WISKI 2 Ma...	WISKI Software User 2 through 5 Annual Fee (per user)	4	1,400.00	5,600.00
User Ad Ma...	WISKI Admin suite Annual Fee Labor	1	1,000.00	1,000.00
INSTALL/...	Installation 1 server, 5 clients	1	3,000.00	3,000.00
Add Training	Basic Training Maximum 6 persons	1	4,500.00	4,500.00
Direct Expens	Direct Expenses Installation Direct Expenses 2 persons Per Diem	1	1,500.00	1,500.00
Direct Expens	Installation Travel Note - All actual direct expenses paid by client	1	1,000.00	1,000.00
Thank You			Total	\$23,200.00

USBR Grant -
 03FC 601826

\$ 17,998 - 29074001
 \$ 5,202 - 29044005 balance w/ new.