

Cont Know if  
provided to  
Director

Dave and Roger –

Attached for your review, stamping and signature is a modification to our drought assistance program agreement with Reclamation. There are a few caveats to this I should let you know about. First, there is at least some chance that one or perhaps more of the irrigation districts won't agree to the subagreements we will send them once we receive a fully signed copy of this modification back from Reclamation. Hopefully that wouldn't leave us holding any sort of "bag". Second, I am sending this to Roger because Mike Kube and Jack Wergin in the Grand Island Reclamation Office suggested that I do so. They had been trying to get the amount of funding doubled and the Districts knew that. They said today after talking with Billings that there is no reason to expect a decision soon. My problem is that after signing an agreement to do it at one price, why would Reclamation come back and modify the agreement to pay us double? My take is that we might be diminishing our chances for a higher level of payment by signing this. On the other hand, recent rains might mean that the downstream districts are already getting a bit of a bargain and Reclamation might be less likely to fund the higher amounts. I already have subagreements drafted for the districts, but believe we should wait on sending them until we receive the signed version of this back from Reclamation.

Steve