

**Memorandum of Understanding
Between the
Nebraska Department of Natural Resources
and
High Plains Hydrology LLC
for
Services of Senior Groundwater Modeler**

WHEREAS, the Nebraska Department of Natural Resources, hereafter referred to as DNR, needs to retain the services of a senior groundwater modeler to aid it in using groundwater models for management and administration of groundwater and surface water; and

WHEREAS, High Plains Hydrology LLC, hereafter referred to as HPH, employs an experienced groundwater modeler – Richard R. Luckey - and he is willing to provide support and services to DNR as a senior groundwater modeler;

NOW, THEREFORE, in consideration of the mutual benefits and agreements set forth herein, the Nebraska Department of Natural Resources and High Plains Hydrology LLC agree to the following:

1. SENIOR MODELER SERVICES

HPH will make available to DNR, up to 80 hours each month of Mr. Luckey's time, for the period from July 1, 2006 through June 30, 2008, to provide senior groundwater modeler services. The purpose of this Memorandum of Understanding is to set forth the terms and conditions applicable to such work. During the term of this Memorandum of Understanding, the services or jobs to be performed by Mr. Luckey, as well as maximum expenditures per task, shall be described and set forth in separate, numbered Task Authorizations issued pursuant to the terms of this Memorandum of Understanding and presented in a consistent format similar to that of Task Authorization Number 1, attached hereto and incorporated herein by reference. Should a particular Task Authorization ever require revision, such revision shall be accomplished through an amendment to the Task Authorization in question.

2. MODELER COSTS

HPH shall bill DNR on a monthly basis for the above modeling services at the following rates:

July 1, 2006 to December 31, 2006	\$65/hour
January 1, 2007 to December 31, 2007	\$70/hour
January 1, 2008 to June 30, 2008	\$75/hour

In addition, costs for travel, meals, lodging, copying, and vehicle expense, and appropriate share of general liability insurance and professional liability insurance which should be charged to DNR (This share will be calculated and billed at the end of each period identified above or when the contract is terminated. As an example, if the insurance expenses during the period were \$3000 and 100 hours of work was performed for DNR and 900 hours of work was performed for other clients, then the DNR share of the insurance expenses would be \$300). Vehicle expense will be billed at the then current legal state mileage rate for the date the expenses occurred. (That rate is currently 44.5 cents per mile). The contractor currently has insurance which is valid through February 3, 2007. The current annual total cost of that insurance to the contractor is \$3708.00. Other reasonable expenses necessary for the completion of the authorized tasks shall be billed at cost. DNR will pay all invoices within 30 days of receipt of the invoice. In the event DNR takes exception to any invoiced item(s), DNR may withhold payment of said item(s). In such a case, DNR shall promptly notify HPH explaining the item(s) questioned, the reason for the exception, and what information or documentation DNR requires before payment will be made.

3. DUTIES AND RIGHTS OF NEBRASKA DEPARTMENT OF NATURAL RESOURCES

DNR shall provide the services of a Technical Coordinator (currently Steve Gaul) to aid in the direction and coordination of the efforts of Mr. Luckey and to facilitate the communication with DNR. DNR shall provide opportunities for Mr. Luckey to meet with other modelers as needed to accomplish the objectives of DNR as stated in the Task Agreements.

The computer and the modeling software furnished by the Hydrology Sponsors will be used by HPH to perform modeling services for DNR. Any costs for use of the computer and modeling software for work performed under this agreement shall be pre-approved by DNR and paid directly to the Hydrology Sponsors by DNR. Additional hardware and software needed to perform the modeling required by this Memorandum of Understanding shall be provided by DNR with Nebraska Department of Administrative Services Information Technology Section approval. HPH shall request hardware, software, or an agreement to use Hydrology Sponsors hardware and software if needed. Hardware and software purchased under this agreement shall remain the property of DNR. Such costs or expense for hardware, software or payments for use of Hydrology Sponsors hardware and software for an individual task order are part of the total expenditure limitation noted in the task order.

DNR agrees to defend and hold harmless HPH from negligent acts or omissions committed by DNR.

DNR shall have complete and unrestricted right henceforth and forever in the conduct of its operations to retain, own, and use all original drawings, plans, studies, reports, data, specifications, and all documents prepared by HPH pursuant to this Memorandum of Understanding or subsequent Task Authorizations. HPH shall have the right to retain

copies of such documents for their records and use, but in no event shall disclosure of these materials be made to any third party without the prior written approval of DNR.

4. DUTIES OF HPH

HPH agrees that Mr. Luckey will provide, in connection with services to be performed hereunder, the standards of care, skill, and diligence normally provided by another professional engaged in the performance of services with respect to similar work.

HPH shall indemnify and save harmless DNR from and against all losses and all claims, demands, suits, actions, payments, and judgments arising from bodily injury, personal injury, or property damage brought or recovered against DNR by reason of any negligent act or omission of HPH and/or Mr. Luckey in the performance of this Memorandum of Understanding or subsequent Task Authorizations.

HPH shall not begin work under this Memorandum of Understanding until it has obtained the following insurance coverages required under this Memorandum of Understanding and such insurance has been approved by DNR. The following insurance coverages shall be kept in force during the term of this Memorandum of Understanding and shall be primary with respect to any insurance or self-insurance programs covering DNR: Workers' Compensation and Employers' Liability Insurance (only required if HPH has employees), Professional Liability Insurance, General Liability Insurance and Automobile Liability Insurance. HPH shall furnish DNR with two (2) copies of a certificate of insurance evidencing the insurance coverage referenced above. Such certificate(s) shall specifically state that the insurance company or companies issuing these insurance coverages shall give DNR at least 30 days written notice in the event of cancellation of, or material change in, any of the coverages. If coverage on the certificate(s) is shown to expire prior to completion of all terms of this Memorandum of Understanding, then HPH shall furnish a certificate of insurance evidencing renewal of its coverage to DNR.

5. TERM OF MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding shall continue in effect from the date of execution through June 30, 2008 unless terminated as provided herein. Either party may terminate its obligations under this Memorandum of Understanding by providing thirty (30) days written notice to the other party at any time during the term of this Memorandum Of Understanding.

6. PREVAILING LAW

This agreement is governed by the laws of the State of Nebraska, including the State Contract Claims Act. (Neb. Rev. Stat. Sections 81-8302 through 81-8306.)

7. DRUG FREE WORK PLACE POLICY

Contractor certifies that it maintains a drug free workplace policy to ensure workers safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the Department.

8. TECHNOLOGY ACCESS

Contractor agrees to ensure compliance with Nebraska Access Technology Standards. See website at <http://www.nitc.state.ne.us/standards/accessibility/>

9. FAIR EMPLOYMENT PRACTICES

Contractor agrees to ensure compliance with the Nebraska Fair Employment Practice Act, which prohibits contractors of the State of Nebraska, and their subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, or privileges of employment because of race, color, religion, sex, disability, or national origin. (Neb. Rev. Stat. Sections 48-1101 through 48-1125.)

10. CONFLICT OF INTEREST

Contractor warrants that its board members, officers, associates, and employees presently have no known financial interest and shall not acquire any known financial interest, direct or indirect, which would conflict in any manner or degree with the performance of the services required by this Agreement. Contractor shall comply with the provisions of the laws of the State of Nebraska which require disclosure for conflict of interest determinations. The existence of any conflict of interest shall render this Agreement voidable by the Department.

Nebraska Department of Natural Resources

Ann Bleed

Ann Bleed, Acting Director

Date: August 30, 2006

APPROVED

AS TO FORM & CONTENT
BY NDNR LEGAL COUNSEL

Jan DATE 8-29-06

High Plains Hydrology LLC

Richard R. Luckey
Richard R. Luckey, Senior Hydrologist

Date: September 6, 2006

Memorandum of Understanding for
Services of Senior Groundwater Modeler

TASK AUTHORIZATION

1

Task Authorization Number

July 1, 2006

Effective Date

This Task Authorization is issued pursuant to the Memorandum of Understanding effective July 1, 2006, between Nebraska Department of Natural Resources (DNR) and High Plains Hydrology LLC (HPH).

ARTICLE I - PROJECT

Assist DNR with use of groundwater models for management studies.

ARTICLE II - SCOPE OF WORK

HPH shall perform the following services for or in behalf of DNR when requested by DNR through the Technical Coordinator or the Director, either in writing, via email, or through verbal requests:

- 1) Provide requested advice to DNR on ground water modeling issues and evaluations of scenarios for integrated management plans, the Platte River Three State Agreement, Republican Basin work, and other efforts. Provide as requested information and advice relative to past modeling work and potential future modeling needs. Assist DNR modelers on request with training, assistance, and review.
- 2) Provide analysis as requested on areas where COHYST and Republican models overlap. Report on differences in concept between the two models. Provide analysis of the ground water mound in the Central Platte and Tri-Basin region. Work with both DNR staff and other contractor(s) as needed. Analyze both what is in the models (mound) and how to improve both models.

ARTICLE III - SCHEDULE

The foregoing services shall be performed in accordance the schedule mutually agreed upon when a specific task is requested. Some items are ongoing and thus are not subject to a schedule.

ARTICLE IV - COMPENSATION

The budgeted total cost of the services provided for herein is \$50,000 through June 30, 2007. This budget is based on approximately 700 hours of services through June 30, 2007. This amount

may be adjusted upward or downward by written mutual agreement. This task extends beyond June 30, 2007, and a new budgeted cost through June 30, 2008, shall be agreed upon by the parties before any work is done beginning July 1, 2007. Billings shall reflect whether the services provided were for Item #1 or Item #2 under Article II – Scope of Work.

All rates applicable to this Task Authorization shall be as stated in the Memorandum of Understanding.

In no event shall the total actual cost invoiced to DNR for the services described herein exceed the total cost stated above without the prior written approval of DNR.

ARTICLE V - SPECIAL TERMS

Not applicable

ARTICLE VI - TERMS AND CONDITIONS

This Task Authorization, the performance of the services described herein, and the rights and obligations of the parties with respect thereto are governed by the Memorandum of Understanding between the parties effective July 1, 2006, and such terms and conditions as are set forth in this Task Authorization pursuant to such Memorandum of Understanding. The terms and conditions set forth in such Memorandum of Understanding are incorporated herein by reference and except as expressly provided in this Task Authorization shall be applicable hereto.

Accepted and Agreed to:

Nebraska Department of Natural Resources

Ann Bleed

Ann Bleed, Acting Director

Date: 8/30/2006

APPROVED

AS TO FORM & CONTENT
BY NDNR LEGAL COUNSEL

plc DATE 8-29-06

High Plains Hydrology LLC

Richard R. Luckey

Richard R. Luckey, Senior Hydrologist

Date: September 6, 2006