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Ron T
Jim W
Brand



United States Department of the Interior



BUREAU OF RECLAMATION
Great Plains Region
Nebraska-Kansas Area Office
P.O. Box 1607
Grand Island, Nebraska 68802-1607

IN REPLY REFER TO:

NK-100
WTR-4.03 BSW

JUN 28 2007

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DEPARTMENT OF
NATURAL RESOURCES

Mike Delka, Manager
Bostwick Irrigation District in Nebraska
P. O. Box 446
Red Cloud, NE 68970-0446

Kenneth Nelson, Superintendent
Kansas Bostwick Irrigation District No. 2
P. O. Box 165
Courtland, KS 66939-0165

Subject: Amendment No. 3 to Memorandum of Agreement – Bostwick Division,
Pick-Sloan Missouri Basin Program, Nebraska and Kansas

Dear Messrs. Delka and Nelson:

Enclosed for your records is a fully executed duplicate original Amendment 3 -
"Amendment to Memorandum of Agreement Between the Bostwick Irrigation District in
Nebraska and Kansas-Bostwick Irrigation District No. 2," dated June 21, 2007.

If you have any questions or need additional information, please contact me at the
above address or telephone 308-389-5304 or Marv Swanda at our McCook Field Office,
telephone 308-345-1027.

Sincerely,

Stephen F. Ronshaugen
Acting Area Manager

Enclosure

cc: Chief Engineer, Division of Water Resources, Kansas Department of Agriculture,
109 SW 9th Street, 2nd Floor, Topeka, KS 66612-1283
Ann Bleed, Director of Natural Resources, PO Box 94676, Lincoln, NE 68509-4676
Lee Orton, Attorney, 1233 Lincoln Mall, Suite 201, Lincoln, NE 68508
(all w/enclosure)

DUPLICATE ORIGINAL

AMENDMENT TO
MEMORANDUM OF AGREEMENT
BETWEEN THE
BOSTWICK IRRIGATION DISTRICT IN NEBRASKA
AND
KANSAS-BOSTWICK IRRIGATION DISTRICT NO. 2

This AMENDMENT to the MEMORANDUM OF AGREEMENT made this 21st day of June, 2007, by and between Kansas-Bostwick Irrigation District No. 2, party of the first part, and the Bostwick Irrigation District in Nebraska, party of the second part.

WITNESSETH:

WHEREAS, the following statements are made by way of explanation:

a. Kansas-Bostwick Irrigation District No. 2, party of the first part, and the Bostwick Irrigation District in Nebraska, party of the second part, during Board of Directors meetings for each of the respective Districts executed the "Memorandum of Agreement between the Bostwick Irrigation District in Nebraska and Kansas-Bostwick Irrigation District No. 2" dated October 4, 2000.

b. The "Memorandum of Agreement between the Bostwick Irrigation District in Nebraska and Kansas-Bostwick Irrigation District No. 2" was amended on March 5, 2002, to provide a more accurate and comprehensive description of the water supply facilities covered by the Agreement.

c. The "Memorandum of Agreement between the Bostwick Irrigation District in Nebraska and Kansas-Bostwick Irrigation District No. 2" was amended on May 18, 2006 to provide for appropriate accounting and delivery of water during the 2006 irrigation season.

d. To provide for appropriate accounting and delivery of water during the 2007 irrigation season, certain provisions of the Agreement needs to be amended to reflect procedures to be followed for the 2007 irrigation season, therefore the "Memorandum of Agreement between the Bostwick Irrigation District in Nebraska and Kansas-Bostwick Irrigation District No. 2" is hereby amended as follows:

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein set

out, it is agreed as follows:

1. The following shall be substituted for the existing Article 3. G. for the 2007 irrigation season ONLY:

3. G. The Bostwick Irrigation District in Nebraska agrees before the start of the irrigation season to relinquish the rights to the use of 12,500 acre-feet of storage water to be used on Kansas-Bostwick Irrigation District No. 2 project lands. For purposes of this agreement for the 2007 irrigation season only, "irrigation season" and "water supply" as used herein are defined as follows:

(1) "Water Supply" shall be 12,500 acre-feet of storage water allocated to the Bostwick Irrigation District in Nebraska in its water storage account at Harlan County Lake as calculated and published by Reclamation for 2007 according to the Harlan County Lake Operation Consensus Plan (hereinafter "Consensus Plan"), and natural flow that may become available for diversion at the Superior-Courtland Diversion Dam during the Irrigation Season.

(2) "Irrigation Season" shall mean the date beginning with the commencement of water deliveries for direct irrigation at the Superior-Courtland Diversion Dam and ending on the date of the last water delivery for direct irrigation, which date shall be no later than September 1, 2007.

2. The following shall be substituted for the existing Article 2. as it applies to the 2007 irrigation season ONLY:

2. To the allocation and payment of irrigation's share of the Corps of Engineers' operation, maintenance and replacement cost associated with Harlan County Dam and Harlan County Lake based on the most recent three-year moving average of each District's total diversions as established by Reclamation. (See the spreadsheet attached hereto and made a part hereof as Attachment A for prior year computations and procedures for computing individual District percentages.)

a. For purposes of this agreement for the 2007 irrigation season, the Bostwick Irrigation District in Nebraska's 2007 diversions to be recorded on Attachment A, will be computed assuming that the Bostwick Irrigation District in Nebraska had diverted the above referenced 12,500 acre-feet of Bostwick Division water supply into the Superior Canal. In addition, commencing with water deliveries for direct irrigation at the Superior-Courtland Diversion Dam and ending no later than September 1, 2007, the available natural flow at Superior-Courtland Diversion Dam will be apportioned as described in Attachment B of this Memorandum of Agreement. The accounting for the Bostwick Irrigation District in Nebraska's use of the above referenced 12,500 acre-feet of storage waters from Harlan County Lake will begin with the commencement of releases

from Harlan County Lake for Kansas-Bostwick Irrigation District No. 2 and end when storage releases from Harlan County Lake for Kansas-Bostwick Irrigation District No. 2 have ceased for the season or September 1, 2007, whichever is earlier. The accounting for any diversions at Superior-Courtland Diversion Dam subsequent to September 1, 2007 will be based on the historical methods used in prior years and recorded on said Attachment A.

b. For purposes of this agreement in 2007, Kansas-Bostwick Irrigation District No. 2's total diversions to be recorded on Attachment A, will be computed as follows: Kansas-Bostwick Irrigation District No. 2's actual diversions during 2007, as accounted for by Reclamation, LESS any diversions resulting from the purchase and or lease of irrigation water supplies from the Frenchman-Cambridge, Frenchman Valley and Riverside Irrigation Districts for the benefit of Kansas Bostwick Irrigation District, LESS the Bostwick Irrigation District in Nebraska's 2007 diversions to be recorded on Attachment A as provided in Article 2.a. above.

3. For purposes of this agreement in 2007, it is agreed that the irrigation waters being supplied to Kansas-Bostwick Irrigation District No. 2 will be utilized in the following order of priority by Kansas Bostwick Irrigation District No. 2:
 - a. Natural flow that may become available for diversion at the Superior-Courtland Diversion Dam during the Irrigation Season purchased or leased from Bostwick Irrigation District in Nebraska;
 - b. Any irrigation water resulting from the purchase and or lease of irrigation water supplies from the Frenchman Valley and Riverside Irrigation Districts for the benefit of Kansas-Bostwick Irrigation District No. 2,
 - c. Any irrigation water resulting from the purchase and or lease of irrigation water supplies from the Frenchman-Cambridge Irrigation District for the benefit of Kansas-Bostwick Irrigation District No. 2,
 - d. The 12,500 acre-feet of storage water allocated to the Bostwick Irrigation District in Nebraska in its water storage account at Harlan County Lake as calculated and published by Reclamation for 2007 according to the Harlan County Lake Operation Consensus Plan (hereinafter "Consensus Plan"),
 - e. Storage water allocated to the Kansas-Bostwick Irrigation District No. 2 in its water storage account at Harlan County Lake as calculated and published by Reclamation for 2007 according to the Harlan County Lake Operation Consensus Plan (hereinafter "Consensus Plan").

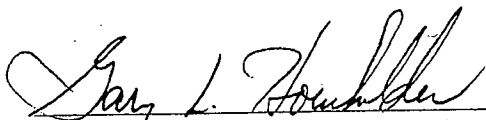
4. For purposes of this agreement in 2007, the delivery, protection, and accounting of the irrigation water supplies from the Frenchman-Cambridge Irrigation District for the benefit of Kansas-Bostwick Irrigation District No. 2 will be as directed by the Nebraska Department of Natural Resources, pursuant to applicable state laws and regulations. However, the United States desires to reserve the right to protect its

property interests if the delivery, protection, and accounting of the assigned water by the Nebraska Department of Natural Resources appears to reduce or diminish the water use benefits of the Bostwick Irrigation District in Nebraska's water supply that they would have received as a result of normal irrigation water deliveries from Harry Strunk Lake.

5. For purposes of this agreement in 2007, should any of the above referenced irrigation water resulting from the purchase and or lease of irrigation water supplies from the Frenchman-Cambridge Irrigation District for the benefit of Kansas-Bostwick Irrigation District No. 2 remain in Harlan County Lake at the end of the 2007 irrigation season, such amount less an appropriate reduction for losses associated with that storage, will be available for the exclusive use of the Kansas-Bostwick Irrigation District in water year 2008. However, should Harlan County Lake fill subsequent to the 2007 irrigation season, any flood storage releases made from Harlan County Lake will be subtracted from the exclusive use carryover storage available to Kansas-Bostwick Irrigation District as described above.
6. For purposes of this agreement in 2007, should any of the above referenced 12,500 acre-feet of storage water purchased and or leased by Nebraska Department of Natural Resources from the Bostwick Irrigation District in Nebraska for the benefit of Kansas-Bostwick Irrigation District No. 2 remain in Harlan County Lake at the end of the 2007 irrigation season, such amount less an appropriate reduction for losses associated with that storage, will be available for the exclusive use of the Kansas-Bostwick Irrigation District in water year 2008. However, should Harlan County Lake fill subsequent to the 2007 irrigation season, any flood storage releases made from Harlan County Lake in excess of the exclusive use carryover storage referenced in Article 5 above, will be subtracted from the exclusive use carryover storage available to Kansas-Bostwick Irrigation District as described above.

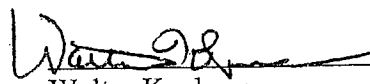
EXCEPT AS PROVIDED HEREIN, all other terms and conditions of the "Memorandum of Agreement between the Bostwick Irrigation District in Nebraska and Kansas-Bostwick Irrigation District No. 2" shall remain in full force and effect.

BOARD OF DIRECTORS
Kansas-Bostwick Irrigation District No. 2

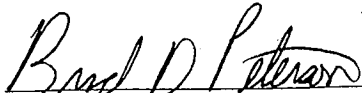


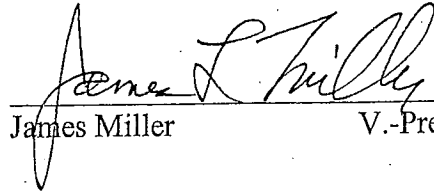
Gary L. Housholder President

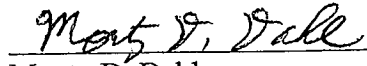
BOARD OF DIRECTORS
Bostwick Irrigation District in Nebraska



Walter Knehans President


Brad D. Peterson Secretary

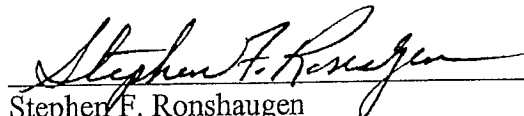

James Miller V.-Pres./Sec.


Monty D. Dahl Treasurer


Rodney Ely Treasurer

APPROVED:

BUREAU OF RECLAMATION
Nebraska-Kansas Area Office


Stephen F. Ronshaugen
Acting Area Manager

COST DISTRIBUTION PERCENTAGES

Revised: 12/19/2006

Corps of Engineers

HARLAN COUNTY DAM

ATTACHMENT A

Year	Bostwick-in-Nebraska		Kansas-Bostwick No.2		Total Annual Divisions	3-Year Total Divisions	Percentage		Distribution	Use For Year
	Annual Divisions	3-Year Total Divisions	Annual Divisions	3-Year Total Divisions			Nebraska	Kansas		
1972	48,713	--	50,701	--	99,414	--	--	--	--	--
1973	53,569	--	50,635	--	104,204	--	--	--	--	--
1974	56,204	158,486	80,126	181,462	336,330	339,948	46.6%	53.4%	53.4%	--
1975	52,810	162,583	79,574	210,335	332,384	372,918	43.6%	56.4%	56.4%	--
1976	66,885	175,899	110,406	270,106	406,391	446,005	39.4%	60.6%	60.6%	--
1977	40,226	159,921	59,353	249,333	299,579	409,254	39.1%	60.9%	60.9%	--
1978	50,356	157,467	71,009	240,768	291,365	398,235	39.5%	60.5%	60.5%	--
1979	33,418	124,000	56,927	187,289	218,705	311,289	39.8%	60.2%	60.2%	--
1980	55,360	139,134	83,490	211,426	250,586	350,560	39.7%	60.3%	60.3%	--
1981	27,916	116,694	52,661	193,078	220,995	309,772	37.7%	62.3%	62.3%	--
1982	39,776	123,052	66,436	202,587	264,312	325,639	37.8%	62.2%	62.2%	1984
1983	52,238	119,930	83,964	203,061	263,193	322,991	37.1%	62.9%	62.9%	1985
1984	58,875	150,889	84,092	234,492	292,967	385,381	39.2%	60.8%	60.8%	1986
1985	51,553	162,666	60,331	228,387	281,919	391,053	41.6%	58.4%	58.4%	1987
1986	58,665	169,093	69,133	213,556	282,208	382,649	44.2%	55.8%	55.8%	1988
1987	47,181	157,399	67,334	196,798	243,979	354,197	44.4%	55.6%	55.6%	1989
1988	62,288	168,134	90,207	226,674	288,422	394,808	42.6%	57.4%	57.4%	1990
1989	48,740	158,209	88,414	225,955	311,154	384,164	41.2%	58.8%	58.8%	1991
1990	41,837	152,865	80,909	239,530	281,366	392,395	39.0%	61.0%	61.0%	1992
1991	39,993	130,570	64,110	213,433	253,623	344,003	38.0%	62.0%	62.0%	1993
1992	25,471	107,301	20,323	165,342	185,714	272,643	39.4%	60.6%	60.6%	1994
1993	17,718	83,182	30,542	114,975	142,660	198,157	42.0%	58.0%	58.0%	1995
1994	55,207	98,396	71,277	122,142	223,603	220,538	44.6%	55.4%	55.4%	1996
1995	62,291	135,216	80,129	181,948	242,247	317,164	42.6%	57.4%	57.4%	1997
1996	46,764	164,262	71,942	223,348	290,316	387,610	42.4%	57.6%	57.6%	1998
1997	53,121	162,176	74,549	226,620	281,826	388,796	41.7%	58.3%	58.3%	1999
1998	53,122	153,007	75,370	221,861	278,492	374,868	40.8%	59.2%	59.2%	2000
1999	55,797	162,040	80,163	230,082	285,860	392,122	41.3%	58.7%	58.7%	2001
2000	67,992	176,911	95,161	250,694	323,152	427,605	41.4%	58.6%	58.6%	2002
2001	48,226	172,015	72,700	248,024	320,241	420,039	41.0%	59.0%	59.0%	2003
2002	43,863	160,081	72,634	240,495	284,576	400,576	40.0%	60.0%	60.0%	2004
2003	28,776	120,865	53,191	198,525	221,716	319,390	37.8%	62.2%	62.2%	2005
2004	5,800	78,439	30,913	156,738	131,542	235,177	33.4%	66.6%	66.6%	2006
2005	4,712	39,288	27,780	111,884	146,166	151,172	26.0%	74.0%	74.0%	2007
2006	8,979	19,491	29,467	88,160	117,651	107,651	18.1%	81.9%	81.9%	2008

Data to fill in columns (1) and (3) can be found in Table 6 of AOP

* Annual diversions were estimated based on the procedure outlined in the amendment to the MOA between the two districts dated May 18th, 2006. These procedures assume that NE Bostwick utilized their share of the available water supply in Superior Canal. NE Bostwick did not actually divert water during the 2006 irrigation season.



United States Department of the Interior



BUREAU OF RECLAMATION
Great Plains Region
Nebraska-Kansas Area Office
P.O. Box 1607
Grand Island, Nebraska 68802-1607

IN REPLY REFER TO:

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WTR-4.03 FRC

JUN 28 2007

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JUL 02 2007

DEPARTMENT OF
NATURAL RESOURCES

Roy Patterson, Superintendent
Frenchman-Cambridge Irrigation District
PO Box 116
Cambridge, NE 69022

Subject: Temporary Assignment of Project Water - Frenchman-Cambridge Irrigation District, Frenchman-Cambridge Division, Pick-Sloan Missouri Basin Program, Nebraska

Dear Mr. Patterson:

Enclosed for your records is a fully executed duplicate original "Temporary Assignment of Project Water from Frenchman-Cambridge Irrigation District to Kansas-Bostwick Irrigation District No. 2," dated June 21, 2007.

Also enclosed for your information is a copy of the June 21, 2007 letter from Ann Bleed, Director of the Nebraska Department of Natural Resources, which describes the procedure that will be used to account for water that will be available for use by Kansas as a result of the Republican River Basin Coalition agreements with Frenchman Valley, Riverside, and Frenchman-Cambridge Irrigation Districts.

If you have any questions or need additional information, please contact me at the above address or telephone 308-389-5304 or Marv Swanda at our McCook Field Office, telephone 308-345-1027.

Sincerely,

Stephen F. Ronshaugen
Acting Area Manager

Enclosures

cc: Dale Cramer, President
Frenchman-Cambridge Irrigation District
71293 Road 409
Cambridge, NE 69022

Merlin Brown, Vice-President
Frenchman-Cambridge Irrigation District
71255 Road 385
McCook, NE 69001

Steve Henry, Secretary/Treasurer
Frenchman-Cambridge Irrigation District
PO Box 540
Arapahoe, NE 68922

Stan Goodwin
Attorney at Law
PO Box 607
McCook, NE 69001

Lee Orton, Attorney
1233 Lincoln Mall, Suite 201
Lincoln, NE 68508

Ann Bleed
Director of Natural Resources
PO Box 94676
Lincoln, NE 68509-4676
(all w/enclosures)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
PICK-SLOAN MISSOURI BASIN PROGRAM**

**TEMPORARY ASSIGNMENT OF PROJECT WATER FROM
FRENCHMAN-CAMBRIDGE IRRIGATION DISTRICT
CONTRACT NO. 009D6B0122**
TO
**KANSAS-BOSTWICK IRRIGATION DISTRICT NO. 2
CONTRACT NO. 009D6B0120**

THIS Assignment made this 21st day of JUNE, 2007, generally pursuant to the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary thereto, all collectively hereinafter referred to as the Federal Reclamation laws, between the UNITED STATES OF AMERICA, hereinafter called the "United States" acting through the Secretary of the Interior; the Frenchman-Cambridge Irrigation District, hereinafter called the "FCID", an irrigation district organized and existing pursuant to the laws of the State of Nebraska, with its principal place of business and office at Cambridge, Nebraska; Kansas-Bostwick Irrigation District No. 2, hereinafter called the "KBID", an irrigation district organized and existing pursuant to the laws of the State of Kansas, with its principal place of business and office at Courtland, Kansas; and the Republican River Basin Coalition, hereinafter called the "Coalition", established under the laws of the State of Nebraska, particularly Sections 13-801 et.seq. RRS, Nebraska. The United States, the above districts, and the Coalition hereinafter are referred to collectively as the "Parties".

a. WHEREAS, the United States has constructed the Frenchman-Cambridge Division of the Pick-Sloan Missouri Basin Program (P-SMBP), Nebraska, and the Bostwick Division of the P-SMBP, Kansas, pursuant to the Act of December 22, 1944 (58 Stat. 887), as set forth in House Document 475 and Senate Document 191, as revised and coordinated by Senate Document 247, 78th Congress, Second Session, to provide benefits for irrigation, flood control, sediment control, fish and wildlife enhancement, and recreation; and

b. WHEREAS, the United States and the FCID have entered into Contract No. 009D6B0122, dated July 25, 2000 for the furnishing of a project water supply, repayment and Operation, Maintenance and Replacement (OM&R) of the project water supply and distribution system; and

c. WHEREAS, the United States and KBID have entered into Contract No. 009D6B0120, dated July 25, 2000 for the furnishing of a project water supply, repayment and OM&R of the project water supply and distribution system; and

d. WHEREAS, the United States has an interest in and legal responsibilities with respect to the temporary assignment of project water, and has an obligation to ensure the uses of project water are in accordance with authorized purposes, existing contracts, and use of Federal facilities; and

e. WHEREAS, the FCID has entered into an agreement with the Coalition whereby the FCID has agreed that it will not utilize a portion of their existing project water supply for irrigation of FCID lands during the 2007 irrigation season; and

f. WHEREAS, the Coalition has entered into an agreement with the FCID to lease the rights to the use of storage and natural flow water available to FCID for beneficial use from Harry Strunk Lake to assist the State of Nebraska to meet its obligations under the Republican River Compact Settlement; and

g. WHEREAS, The delivery, protection, and accounting of the assigned water will be by the Nebraska Department of Natural Resources, pursuant to applicable state laws and regulations. However, the United States desires to reserve the right to protect its property interests if the delivery, protection, and accounting of the assigned water by the Nebraska Department of Natural Resources appears to reduce or diminish the water use benefits of the Bostwick Irrigation District in Nebraska's water supply that they would have received as a result of normal irrigation water deliveries from Harry Strunk Lake.

h. WHEREAS, the release of this water from Harry Strunk Lake will be made during the period of June 10, 2007 through September 1, 2007 in a manner that "mimics" normal irrigation season releases.

NOW, THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is mutually agreed as follows:

1. This Assignment is authorized under Article 23 of Contract No. 009D6B0122 titled "Assignment Limited – Successors and Assigns Obligated" which provides "that no assignment or transfer of this Contract or any right or interest therein shall be valid until approved in writing by the Contracting Officer."

2. FCID will not utilize their existing project water supply for irrigation of FCID lands during the 2007 irrigation season as stipulated in the agreement with the Coalition.

3. The agreement between FCID and the Coalition is clarified in that the end use of the agreement's water supply has been identified in paragraph 6 of this Assignment.

4. This Assignment is a temporary, one-year assignment of the above-referenced water supply (2007 irrigation season ONLY).

5. The delivery, protection, and accounting of the assigned water will be by the Nebraska Department of Natural Resources, pursuant to applicable state laws and regulations. However, the United States reserves the right to protect its property interests if the delivery, protection, and accounting of the assigned water by the Nebraska Department of Natural Resources appears to reduce or diminish the water use benefits of the Bostwick Irrigation District in Nebraska's water supply that they would have received as a result of normal irrigation water deliveries from Harry Strunk Lake.

6. Pursuant to the accounting provisions identified in paragraph 5 of this Assignment, a portion of the above-referenced project water supply will be released from Harlan County Lake as necessary to provide irrigation water as may be requested by the KBID for the irrigation of KBID lands.

7. This Assignment will be in accordance with all other applicable Federal laws, including, but not limited to the National Environmental Policy Act and the Endangered Species Act, and must not impair the Secretary of the Interior's trust obligation to Native Americans.


8. The Coalition, the FCID, and the KBID, in carrying out this Assignment, shall comply with all applicable federal, state, tribal, and local laws, including, but not limited to, those concerning appropriation, diversion, storage, use of water, and changes of water rights.

9. KBID agrees to utilize the project water made available under this Assignment for irrigation of its project lands.

10. Except as herein provided, the terms and provisions of Contract No. 009D6B0122 and Contract No. 009D6B0120 will remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have signed their names the day and year first above written.

UNITED STATES OF AMERICA

By: 
Michael J. Ryan
Regional Director

Frenchman-Cambridge Irrigation District

Dale A. Gerner
President

(SEAL)
[Signature]
Secretary

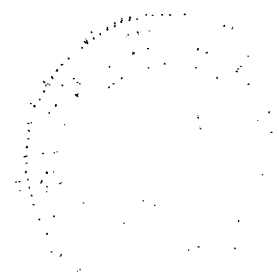
Kansas-Bostwick Irrigation District No. 2

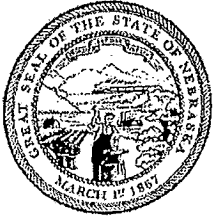
[Signature]
President

(SEAL)
[Signature]
Secretary

Republican River Basin Coalition

[Signature]
Authorized Agent





STATE OF NEBRASKA

Dave Heineman
Governor

DEPARTMENT OF NATURAL RESOURCES
Ann Bleed
Director

June 21, 2007

IN REPLY TO:

Stephen Ronshaugen
Acting Area Manager
U. S. Bureau of Reclamation
Federal Building, 203 West 2nd Street
Grand Island NE 68801-5907

Daniel L. Smith
Republican River Basin Coalition
Republican River Natural Resource District
P.O. Box 81
220 Center Avenue
Curtis, NE 69025

SUBJECT: Accounting for Water Not Used in 2007 by the Riverside Irrigation District, the Frenchman Valley Irrigation District and the Frenchman-Cambridge Irrigation District in Accordance with the Agreement between the Irrigation Districts and the Republican River Basin Coalition

This letter describes the procedure that will be used to account for the water that will be available for use by Kansas as a result of the Republican River Basin Coalition entering into an agreement whereby the Frenchman-Cambridge Irrigation District, the Riverside Irrigation District and Frenchman Valley Irrigation District will not utilize a portion of their existing water supply for irrigation of district lands during the 2007 irrigation season. In the case of the Riverside Irrigation District and the Frenchman Valley Irrigation Districts, the lease is for natural flow water. In the case of the Frenchman-Cambridge Irrigation District the lease is for both natural flow and storage water.

The Nebraska Department of Natural Resources will provide an accounting of the purchased natural flow and storage water that will be protected from use by other surface water diverters in each reach of the river. This water will be protected from the point the water would have been diverted, or in the case of the Frenchman-Cambridge Irrigation District, from the point of release from Harry Strunk Lake, to Harlan County Lake. Protected water released from Harlan County Lake will be protected to the Kansas-Bostwick Diversion at Guide Rock in the same manner that storage water released for Kansas-Bostwick is protected. Any Frenchman Valley and Riverside Irrigation District protected water passing Guide Rock minus any carriage losses will be protected from the Guide Rock Diversion Dam until it passes into Kansas near the Hardy gage.

It is the Department's understanding that the U. S. Bureau of Reclamation will be willing to account for and store in Harlan County Lake any protected natural flow or storage water resulting from the assignment of water from the Frenchman-Cambridge Irrigation that is not immediately used to meet the demands of the Kansas-Bostwick Irrigation District. It is also our understanding that the protected purchased water from Frenchman Valley Irrigation District and Riverside

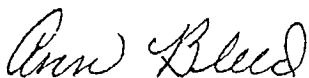
Irrigation District cannot be stored in Harlan County Lake but will be passed through Harlan County Lake.

The Temporary Assignment No. 1 Contract No. 009D6B0122 between the U. S. Bureau of Reclamation, the Frenchman-Cambridge Irrigation District, the Kansas-Bostwick Irrigation District No. 2 and the Republican River Basin Coalition is premised on the assumption that the delivery, protection and accounting of the assigned water will not reduce or diminish the water use benefits of the Nebraska-Bostwick Irrigation District's water supply that would have been received as a result of normal irrigation water deliveries from Harry Strunk Lake and will otherwise be in accordance with the National Environmental Policy Act and other federal and state laws. Based on this contract as well as other state laws, the water from Riverside Irrigation District, the Frenchman Valley Irrigation District and the Frenchman-Cambridge Irrigation District that will be protected from diversions by Nebraska surface water irrigators will be that which would not have returned to the Republican River or its tributaries if the water had been diverted and used for the irrigation of lands in accordance with the districts' permits from the Nebraska Department of Natural Resources. To determine the percentage of the water that would have been diverted and would not have returned to the river as a result of normal deliveries for irrigation, the Department will use the same accounting procedures as described in the Republican River Settlement. These procedures assume that 60% of the diversion to the Riverside Irrigation District would not have returned to the river. For the Frenchman Valley Irrigation District and the Frenchman-Cambridge Irrigation District, the percentages of the diversion that would not have returned to the river are based on measured diversions from the river into the canal, measured field deliveries, and assumptions of how much of the water that was lost from the canal or the field would have returned to the Republican River. The details of this procedure are described in Attachment 7 in Appendix C of the Republican River Basin Final Settlement Stipulation (See Attachment A).

Using this methodology at a meeting on June 20, 2007 representatives from the Bureau of Reclamation, the Republican River Basin Coalition and the Department of Natural Resources mutually agreed that the consumptive use amounts of water that would have been diverted by each irrigation district entering into an agreement with the Republican River Basin Coalition that will be protected are as follows: Riverside Irrigation District, 60% of the diversion; Frenchman Valley Irrigation District, 50% of the diversion; and Frenchman-Cambridge Irrigation District 57% of the diversion. In addition, in each reach of the river, the conveyance losses from evaporation and any additional seepage loss in each reach of the river will be subtracted from the water to be protected from diversion in proportion to the percentage of the total flow that is attributable to the protected water. (For more information see Attachment B.) Based on these percentages, the amount of water that will be made available to Kansas in 2007 as a result of these contracts will be approximately 84% of the Riverside Irrigation District diversion, 80% of the Frenchman Valley Irrigation District diversion and 83% of the Frenchman-Cambridge Irrigation District diversion minus any carriage losses.

The Department of Natural Resources will provide a timely accounting of the water to be protected and will work closely with the U. S. Bureau of Reclamation to assure protection of this water.

Sincerely,



Ann Bleed, Director

ATTACHMENT A

Republican River Compact Administration

Accounting Procedures and Reporting Requirements
Revised January 2005

Attachment 7: Calculations of Return Flows from Bureau of Reclamation Canals

Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11
Canal	Canal Diversion	Spill to Waste-way	Field Deliveries	Canal Loss	Average Field Loss Factor	Field Loss	Total Loss from District	Percent Field and Canal Loss That Returns to the Stream	Total Return to Stream from Canal and Field Loss	Return as Percent of Canal Diversion
Name Canal	Headgate Diversion	Sum of measured spills to river	Sum of deliveries to the field	+Col 2 - Col 4	1 - Weighted Average Efficiency of Application System for the District*	Col 4 x Col 6	Col 5 + Col 7	Estimated Percent Loss*	Column 8 x Col 9	Col 10/Col 2
Example	100	5	60	40	30%	18	58	82%	48	48%
Culbertson					30%					
Culbertson Extension					30%					
Meeker-Driftwood					30%					
Red Willow					30%					
Bartley					30%					
Cambridge					30%					
Naponee					35%					
Franklin					35%					
Franklin Pump					35%					
Almena					30%					
Superior					31%					
Nebraska Courtland					23%					
Courtland Canal Above Lovewell (KS)					23%					
Courtland Canal Below Lovewell					23%					

*The average field efficiencies for each district and percent loss that returns to the stream may be reviewed and, if necessary, changed by the RRCA to improve the accuracy of the estimates.

Attachment B

Notes:

Water accounting will start on the date indicated in the applicable agreement.

Only the portion of the water that would have been consumed if diverted is protected from diversion by other surface water users. The entire FCID water is protected from its release from Harry Strunk Lake down to the Cambridge Diversion Dam.

Amount of water purchased from Frenchman-Cambridge is released water from Harry Strunk Lake as measured at the river gage below the dam. Amount is 26,000 acre-feet. Releases from Harry Strunk Lake will mimic a normal irrigation season. Maximum Canal capacity is 325 CFS

Amount of Water Purchased from Frenchman Valley (up to 8000 acre feet) = Frenchman Cr at Pallsade + Sinkingwater Cr. One day totals will be capped at the legal natural flow diversion rate for Frenchman Valley Irrigation District.
Amount of water purchased from Riverside = 2000 acre feet. This is assumed that 9.6 cfs will be available at the Diversion for 105 days starting on date indicated in agreement (or signed).

The consumptive use portion of the purchased water that is protected will be based on the percentages of consumed water in the Compact Accounting formulas. Riverside is 60% of Headgate is CBCU, Frenchman Valley average from 2001 to 2005 is 35.6% CBCU

Carriage losses include surface water evaporation and any additional loss in the section, if any. The additional loss is determined by subtracting the inflows to the section from the outflows to the section. If the result is a positive, there is no additional loss to the purchased water above evaporation. If it is a negative, the section loss will be included in the carriage losses assigned to the purchased water

The percentage of carriage losses assigned to the purchased water will be based on the percentage of the purchased water in each section as part of the total flow in the section.

The total flow in the section is the maximum of either the total inflows to the section or the total outflow to the section.

The total amount of FCID purchased protected water arriving at Harlan County Lake will be assigned to a special purchased water account for Kansas Bostwick Irrigation District (KBID) if stored. Any natural flow purchased from Frenchman Valley and Riverside that arrives at Harlan County Reservoir will be passed through when releases are made for KBID. Any remaining inflow to the Lake will be split between Nebraska Bostwick Irrigation District (NBID) and KBID according to the usual Bureau of Reclamation accounting procedures.

The Department of Natural Resources will provide a timely accounting of the water to be protected and will work closely with the U. S. Bureau of Reclamation to assure protection of this water.

When the first storage water is released from Harlan County Lake, 12,500 acre feet of NBID water will be assigned to the KBID Purchased Water Account.

If KBID is taking water from or thru Harlan County Lake, the priority of use is 1) the consumptive use portion of the purchased water from Frenchman Valley and Riverside 2) the consumptive use portion of the purchased water from FCID and 3) NBID purchased water.

At the end of the irrigation season, any water remaining in the KBID Purchased Water Account will be carried over in that account for the next irrigation season.

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