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

April 12, 2007

Dear Frenchman Valley Landowner:

A meeting of qualified landowners of the Frenchman Valley Irrigation District has been scheduled for Tuesday, April 24, 2007 at 10:00 A.M. at the Culbertson Fair- grounds Community Building, Railroad Street. At that time there will be a general presentation regarding a proposed Memorandum of Agreement with the Upper & Middle NRD'S to release the use of the District's water supply (natural flow) for the 2007 water season.

It is estimated that the agreement will result in a NRD payment of \$640.000.00 - based on \$80.00 per acre foot for 8000 acre feet reflected by an average of natural flow diversions for the years 2001 to 2005.

Representatives of the Upper & Middle NRD'S and others who may be able to assist in a complete understanding of the terms and conditions and how the agreement will affect qualified landowners will be present.

Only qualified * landowners will be issued ballots at the meeting and allowed to vote on the question of acceptance or rejection and only those landowners present at the meeting shall be allowed to vote. The results of the election from those attending and voting will be the basis for determination of the final action by the Frenchman Valley Board of Directors.

erry Kotschwar, President

Frenchman Valley Irrigation District

^{* &}quot;Qualified" landowners are those landowners eligible to vote in any regular election. Voters must have at least 15 acres to be an eligible voter. If land is listed husband and wife, joint owners, they each have a vote unless acreage is less that 30, then only one or the other is entitled to vote.

DNR MEMO

June 10, 2007

TO:

Jasper Fanning

Dan Smith

FROM:

Ann Bleed

SUBJECT:

Benefits of NRDs Purchase of Surface Water Above Harlan County Lake

In our discussion Friday you asked for further clarification on the value of the NRD's purchase of surface water to enhance Compact compliance. Analysis of the benefits of the purchase provided to Don Blankenau and others in March indicated that the NRD's purchase at a total cost of \$8,550,000 would provide an average benefit of 19,800 acre feet at the Frenchman Creek gage at a cost of \$436 per acre feet alone. The analysis did not calculate a benefit of the water at the Guide Rock gage because the accounting was not yet finalized.

After several meetings with the Bureau of Reclamation on the accounting, per instructions from the AG's office on May 15 I sent an accounting sheet to Don Blankenau, Dave Cookson and Justin Lavene. This accounting sheet assumed only the consumptive use portion of the purchased water would be protected for Kansas. Since that time I have also developed an accounting sheet that would protect all of the purchased storage water. The following analysis is based on these accounting sheets and the previous sheet calculating the benefits of the purchased water. If all the water entering Harlan County Lake for Kansas was passed through the Lake this year, there would be another 8,000 to 13,000 acre feet of accounting benefit make the total per acre foot of benefit cost of \$260 to \$315 per acre foot of benefit, depending on how the accounting is done. The 8,000 acre feet of benefit at Guide Rock assumes that only the consumptive use portion of the purchased water is protected for Kansas. The 13,000 acre feet of benefit result assumes that the consumptive use portion of the natural flow water is protected, but all of the storage water is protected for Kansas. Depending on the final agreed upon accounting, these numbers could change.

The remaining issue relates to how much of the purchased water delivered to Harlan County Lake will be or should be released this year. The fact that Kansas Bostwick may not need all of this water obviously complicates the picture. If keeping more in the Lake would mean we would not be in a water-short year in the future, it would probably be worth storing the water. However, this is a gamble. Thus, in my opinion, we should try to get as much credit as possible in the accounting for this year and therefore we should pass as much water through the Lake as possible, either for Kansas Bostwick or for Kansas downstream of Hardy. However, as I understand the Bureau of Reclamation's position, we could not release project water unless it was for irrigation of Bureau of Reclamation Project land.

If I can be of any further help, please do not hesitate to call.

C: David Cookson
Justin Lavene
Brad Edgerton
Jim Williams
Pam Andersen

Bleed, Ann

From: Edgerton, Brad

Sent: Tuesday, October 09, 2007 11:05 AM

To: Bleed, Ann

Cc: Schneider, Jim; Williams, Jim; MSWANDA@gp.usbr.gov; WPECK@gp.usbr.gov

Subject: RE: Republican River Newsletter

Ann

Yes I can!

Question #1:

How much water was leased by the NRDs this year?

Frenchman Valley ID had 12,573 AF of natural flow available at the headgate during irrigation season. (May 1 to Aug 31) 50% was leased by the NRDs as CBCU or 6,287 AF

Riverside Canal had 2,000 AF available at the headgate during irrigation season. (105 days at 9.6 cfs) 60% was leased by the NRDs as CBCU or 1,200 AF.

For the Frenchman basin, a total CBCU of 7,487 AF was leased and is a reduction of CBCU for the Compact Accounting.

On June 21 the NRDs asked that the CBCU portion of the Frenchman Basin be protected through Harlan County Reservoir. By order 3,073 AF was passed through Harlan County Reservoir and made available to Kansas.

Harry Strunk Storage water:

26,157 AF was available to Cambridge Canal from June 10th to Aug. 13th 57% was leased by the NRDs (CBCU) and protected to Harlan County Reservoir. 13,930 AF arrived at Harlan County Reservoir. 979 AF lost to ground water pumping or evaporation.

Question # 2:

How much of it was sent to Kansas?

The short answer is all of the Cambridge Canal CBCU (13,930 AF) was sent to Kansas.

Kansas Bostwick called for 18,166 AF to be released from Harlan County Reservoir. (**Provided by Reclamation and is provisional data**)

3,073 AF was released by order. (Frenchman CBCU)

At total of 21,239 AF was released for Kansas Bostwick.

Note:

Some of the State's purchased Bostwick water was also used along with the natural flow available at Guide Rock.

Reclamation is working on the break down of what is left of the State's purchased water; that amount will change depending on the evap numbers between now and irrigation season next year.

Question #3:

How much was used by other Nebraska water users?

My assumption is that Mr. Edson wants to know how much of the leased water was used by Nebraska users or was consumed by evaporation!

Surface water uses in Nebraska used zero of the leased water.

I defer to Jim Schneider for the answer on how much was used by ground water wells.

The balance would be evaporation.

Brad

Brad Edgerton

Nebraska Dept. of Natural Resources

Field Office Supervisor

Republican River Basin

Phone Numbers:

Address:

622 Patterson Street

P.O.Box 426

Cambridge, NE 69022

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From: Bleed, Ann

Sent: Monday, October 08, 2007 8:59 PM

To: Edgerton, Brad

Cc: Schneider, Jim; Williams, Jim

Subject: FW: Republican River Newsletter

Brad - can you provide these numbers? Ann

From: Dean E. Edson [mailto:dedson@nrdnet.org]

Sent: Mon 10/8/2007 4:38 PM

To: Bleed, Ann; JayR@nefb.org; jasperfanning@urnrd.org; mclements@lrnrd.org; dsmith@mrnrd.org; Justin Lavene; David

Cookson; robak@ruthmueller.com; TrentNowka@prodigy.net; demaris@alltel.net

Subject: Re: Republican River Newsletter

Ann-

I have a few questions.

How much water was leased by the NRDs this year? How much of it was sent to Kansas? How much was used by other Nebraska water uses (either irrigation and/or evaporation)?

Dean E. Edson

Executive Director

Nebraska Association of Resources Districts

Office 402/471-7674

Cell 402/432-1692

Fax 402/471-7677

dedson@nrdnet.org

Check out the NRDs at www.nrdnet.org

---- Original Message -----

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10/19/2007

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