



IN REPLY REFER TO:

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



NK-100

APR 16 2007

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 review is a copy of the proposed "Temporary Assignment of Project Water from Frenchman-Cambridge Irrigation District to Kansas-Bostwick Irrigation District" involving water releases from Harry Strunk Lake during the 2007 irrigation season.

Based on the provisions of this proposed Assignment, and previous discussions with your District and the Nebraska Department of Natural Resources regarding the sale of a portion of your water supply, the following is our general understanding on how this sale and assignment could take place:

1. This Assignment would be executed by both the Frenchman-Cambridge and Kansas Bostwick Irrigation Districts after Frenchman-Cambridge Irrigation District has entered into an agreement with the Republican River Natural Resource Districts (RRNRD) for the sale of this water.
2. The Agreement between your District and the RRNRD's would include provisions for the payment and amount of water (not to exceed 26,000 acre-feet) to be provided (as measured by Reclamation at Medicine Creek Dam). As previously discussed, there would need to be specific provisions regarding the time period during which the releases would be made, maximum rate and duration of releases that are typical of normal irrigation releases from Harry Strunk Lake. It is requested that a copy of the proposed Agreement be provided to Reclamation prior to execution for your review and use in preparing the environmental document necessary for the Assignment.
3. The Nebraska Department of Natural Resources would be providing this office a letter detailing:
 - a. the accounting procedures to be used for the administration of these water releases through Harlan County Dam and downstream to Guide Rock Diversion Dam; and

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- b. the procedures for the protection of these releases for delivery to Kansas-Bostwick Irrigation District.
4. Prior to execution of the Assignment by the Frenchman-Cambridge and Kansas-Bostwick Irrigation Districts, the Bureau of Reclamation would be provided funding from either the RRNRD's or Nebraska Department of Natural Resources for costs that Reclamation will incur for the contract and environmental document processes.

If you have any questions regarding this Assignment, please contact me at the above address or telephone 308-389-5304.

Sincerely,



Stephen F. Ronshaugen
Acting Area Manager

Enclosure

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

Ms. Ann Bleed
Director of Natural Resources
PO Box 94676
Lincoln, NE 68509-4676

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

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

Kenneth Nelson, Superintendent
Kansas Bostwick Irrigation District No. 2
PO Box 165
Courtland, KS 66939
w/enclosure to all

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 _____ day of _____, 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, and 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; and 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. The United States and the Districts 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 25th, 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 25th, 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.

e. WHEREAS, the FCID has entered into an agreement with _____ dated _____, 2007 whereby the FCID has agreed that it will not utilize their existing project water supply for irrigation of FCID lands in water year 2007 that is available to the FCID from Harry Strunk Lake, and further agreed to release a specified amount of their existing project water supply from Harry Strunk Lake for use by KBID.

f. WHEREAS, the delivery, protection, and accounting of this water will be as provided in the attached letter dated _____ from the Nebraska Department of Natural Resources.

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

1. This Assignment, as provided in Article 23 of Contract No. 009D6B0122 titled "Assignment Limited – Successors and Assigns Obligated" provides for the assignment of a specified amount of FCID's project water supply available from Harry Strunk Lake for the 2007 irrigation season to KBID.

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

3. It is specifically provided that the above-referenced project water supply is being made available for the irrigation of KBID project lands.

4. 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 Interior's trust obligation to Native Americans.

5. This Assignment must comply with all applicable state, tribal, and local laws, including, but not limited to, those concerning appropriation, diversion, storage, and use of water and changes of water rights.

6. This Assignment will not diminish or effect FCID's or the United States existing water rights.

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

8. All financial obligations, debt service, and payment of allocated OM&R costs to be paid by FCID and KBID to the United States under 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

(SEAL)

President

Secretary

Kansas-Bostwick Irrigation District No. 2

(SEAL)

President

Secretary