

Dave Heineman
Governor

STATE OF NEBRASKA

DEPARTMENT OF NATURAL RESOURCES
Ann Bleed
Acting Director

September 22, 2006

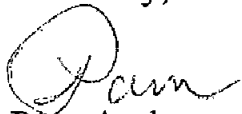
IN REPLY TO:

John Thorburn, Manager
Tri-Basin NRD
Phelps County Ag Center
1308 - 2nd Street
Holdrege, NE 68949-2803

Dear John,

I am enclosing the 2006-07 Interlocal Cooperative Agreement for Republican River Compact compliance. Please have it signed and returned to me. If you have questions or concerns please feel free to call me or Mike Thompson. Thanks.

Sincerely,


Pam Andersen
General Counsel

cc: Mike Thompson
Rex Gittins

Enclosures

andersen/2006

**Inter-Local Cooperation Agreement Between the
Tri-Basin Natural Resources District
And the
Nebraska Department of Natural Resources**

WHEREAS, the United States Supreme Court has approved a comprehensive settlement of the Republican River Compact litigation in Kansas vs. Nebraska, No. 126, original (Supreme Court) (the "Comprehensive Settlement"); and

WHEREAS, that Comprehensive Settlement will require substantial work by the staff of the Tri-Basin Natural Resources District (NRD); and

WHEREAS, such additional work will include, but not be limited to the tasks or services described in Attachment A; and

WHEREAS, the Nebraska Department of Natural Resources (DNR) has available from legislative appropriations funds to assist the NRD with the costs it incurs in performing such additional tasks in fiscal year 2006-07, which runs from 7/1/2006 through 6/30/2007; and

WHEREAS, the NRD will also devote substantial resources of its own to implement the Comprehensive Settlement.

NOW THEREFORE, the parties hereto agree as follows:

(1) The NRD agrees to:

- (a) Perform the tasks described in Attachment A;
- (b) Provide DNR with a printed annual report, by June 15, 2007, describing all contributions by the NRD towards the implementation of the Comprehensive Settlement. At a minimum the report will address each section of Attachment A. The report shall be sent to the Department via Certified Mail ;
- (c) Bill the DNR for costs actually incurred by the NRD in providing such tasks or services, the total amount not to exceed \$80,000 in fiscal year 2006-07. Billings shall be itemized and submitted no more often than once per month and shall be accompanied by a report describing the tasks or services performed since the last such billing. Any individual item in excess of \$1,000 shall be documented. Items or services that are not directly, substantially and predominantly related those described on Attachment A shall not be billed. The Department reserves the right to refuse remuneration for any item or service it determines: (a) does not sufficiently relate to activities described on Attachment A or (b) is not sufficiently documented or (c) has significant other purpose or use that it is not predominantly related to Attachment A activities. The Department's determination shall be final on all such matters;
- (d) Certify that it maintains a drug free work place environment to ensure workers safety and workplace integrity. The NRD agrees to provide a copy of its drug free workplace policy at any time upon request by the DNR;
- (e) Ensure compliance with Nebraska Technology Access Standards. See website at: <http://www.nitc.state.ne.us/standards/accessibility/>;

- (f) 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); and
 - (g) 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. The NRD 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 enable DNR to void this Agreement.
- (2) DNR agrees to promptly review all bills submitted by the NRD and, in the absence of any dispute over those bills, pay the NRD the amount billed within 21 days of the receipt of the bill.
 - (3) All materials, supplies, software, hardware, and equipment purchased by the NRD to carry out the purposes of this agreement will be the property of the NRD. Equipment purchased by DNR for use by the NRD shall be returned to DNR upon request.
 - (4) This agreement may be modified in writing at any time by mutual agreement of the parties or may be terminated by either party by giving the other party 30 days notice in writing of such termination. Services provided by the NRD prior to the date of any such termination shall be paid by the DNR in accordance with item (2) above.
 - (5) This Agreement is governed by the laws of the State of Nebraska including the State Contract Claims Act. (Neb. Rev. Stat. Sections 81-8,302 through 81-8,306.

Tri-Basin Natural Resources District

Nebraska Department of Natural Resources

By: _____

By: _____

Ann Bleed, Acting Director

Print Name: _____

Date: _____

Date: _____

APPROVED
 AS TO FORM & CONTENT
 BY NDNR LEGAL COUNSEL

 DATE

**Agreement Between the
Tri-Basin Natural Resources District
And the
Nebraska Department of Natural Resources**

Attachment A

The Tri-Basin Natural Resources District (NRD) agrees to assemble the necessary staff, equipment and supplies in order to implement the settlement of the Republican River Compact litigation in Kansas vs. Nebraska, No. 126, original (Supreme Court) (the "Comprehensive Settlement"). As part of the effort to conform to applicable state and federal laws and, and in exchange for funding provided by the State of Nebraska through the Department of Natural Resources (Department), the NRD will perform tasks and fulfill functions that include, but are not limited to:

1. Promulgate and enforce rules and associated controls within the constructs of the Nebraska Ground Water Management and Protection Act that give the NRD the authority and methods to manage ground water and regulate ground water wells and maintain accurate records of ground water elevation and any other information necessary to document compliance with the NRD's rules and regulations.
2. Implement, expand or maintain a totalizing water well flow metering program for ground water wells within or supplying water to land in the Republican River Basin within the NRD. The metering program will include the following elements:
 - a) Require proper identification, installation, use, functioning and maintenance of water well totalizing flow meters. Keep permanent records on file in the NRD offices that are sufficient to record the history of meter installation, maintenance and replacement at each location.
 - b) Require field inspections and measurements to verify the proper installation, use and functioning of well meters. A portion of the meters should be scheduled for inspection each year. Steps shall be taken to minimize the occurrence of meter tampering.
 - c) Record annual withdrawals, well meter identification, well identification number(s), and delivery system information for all active irrigation, municipal and industrial wells within the NRD. Report irrigated acres for all active irrigation wells. The annual reporting period shall be the calendar year. The NRD will supply the Department with this data as required for compliance with the Comprehensive Settlement. Annual water withdrawal and ancillary data shall be reported no later than April 8 of the following year.
 - d) Provide alternate information to be used to compute the annual pumping of each active irrigation, municipal and industrial well within the NRD in the event

that the approved water measuring device did not function properly or for those wells that are not required to have a totalizing meter. This shall include the hours of operation and the actual pump rate in gallons per minute, unless another mutually agreed method (between NRD and the Department) is selected to compute water withdrawal. This will require the periodic measuring of actual flow rate.

3. Develop a program in cooperation with the Department to identify and certify the location and extent of irrigated agriculture within the Republican River Basin. The NRD's part of the program shall include:

a) For all irrigated agricultural land that is served by ground water, identify the owner, source of water (e.g. well and water meter identification numbers), number of acres certified and the aerial extent of the certified fields.

b) Require and record actual annual irrigated acre reports to accompany the annual water withdrawal information. Maintain current owner information for certified land.

d) Ensure the amount of ground water used on each irrigated field is metered and the meter identification number(s) is (are) recorded or report the amount of water pumped by those irrigation wells that do not have a totalizing meter.

e) Verify the accuracy of the information collected using Farm Service Agency records, County Assessor records and any other necessary information.

f) Share information described above with the Department.

g) Conduct field investigations and report on all replacement wells to ensure compliance with local and state regulations and Comprehensive Settlement. Field reports shall be an attachment to the minutes of monthly Board meeting.

4. Cooperate with the Department in the location and identification of dams that store more than 15 acre-feet, as defined in the Comprehensive Settlement documents

5. Cooperate with the Department in performing activities in support of the operation of the ground water model that was adopted as part of the Comprehensive Settlement. The activities may include the collection, processing, and dissemination of meteorological data, stream headwater locations information, ground water levels, farm practice information, land use information, instantaneous flow measurements, reservoir storage information, and geologic information.

6. Cooperate with the Department to ensure the proper and legal registration of all ground water wells located within or supplying water to land within the NRD. This will include the proper identification and verification of inactive wells as defined in Neb. Rev. Stat. § 46-1207.02. Maintain current owner information for registered wells.

7. Cooperate with Department officials to provide other assistance and information that is needed to ensure compliance by Nebraska with the Comprehensive Settlement, including, but not limited to inspection of any registered irrigation, municipal and industrial well, water meter, or ground water irrigation project.

8. Cooperate with Compact members to provide assistance that is needed to ensure compliance by Nebraska with the Comprehensive Settlement, including, but not limited to inspection of any irrigation, municipal and industrial well, water meter or ground water irrigation project.