



**Dave Heineman**  
Governor

# STATE OF NEBRASKA

DEPARTMENT OF NATURAL RESOURCES  
**Ann Bleed**  
Acting Director

February 13, 2007

IN REPLY TO:

## Attorney Client Privileged Communication

Jon Bruning  
Attorney General  
State of Nebraska  
Office of the Attorney General  
2115 State Capitol Building  
Lincoln, NE 68509-8920

David Cookson  
Special Counsel to the Attorney General  
State of Nebraska  
Office of the Attorney General 2115 State Capitol Building  
Lincoln, NE 68509-8920

Re: Republican River Compact Calculations of Virgin Water Supply and Computed Beneficial Consumptive Use

Dear Mr. Bruning and Mr. Cookson:

In reviewing model runs of the Republican River Compact Administration Ground Water Model Jim Schneider, a ground water modeler in the Department of Natural Resources, discovered an error in the application of model output to the generation of input numbers for the accounting formulas. The error is not in the ground water model itself, but is in the selection of scenarios used in the calculation of Calculated Beneficial Consumptive Use. The error results in an overestimate of the Calculated Beneficial Consumptive Use. The Calculated Beneficial Consumptive Use number is a critical input number to the accounting formulas.

Recalculating the Compact numbers for the years 2003 - 2005 and the estimate for 2006 results in an average reduction in the Allocation - Computed Beneficial Consumptive Use + Imported Water Supply over the four years of 8,630 acre feet. The total deficit for the years 2003 to 2005 changes from 104,385 acre feet to 78,015 acre feet with a difference of 26,370 acre feet.

The Department plans to raise this issue with the Republican River Compact Engineering Committee with the hope that we can convince the Republican River Compact Administration that the scenarios used to provide the input numbers to the Accounting Formulas must be changed.

A memo explaining the nature of the error and how it impacts the calculation of the basin's Virgin Water Supply (VWS) and the CBCU is enclosed.

If you have any questions please feel free to contact us.

Sincerely,

Ann Bleed  
Director

Cc: Governor Dave Heineman  
Justin Lavene  
John Ericson, Governor's PRO

Enclosure