

□ *Colorado gets ruling on its arbitration with Kansas. PAGE A9.*

□ *DNR is forecasting another compact call year for compliance. PAGE 1.*

□ *Editor's note: The NARD is the trade association for Nebraska's 23 natural resources districts. The NRDs are local government entities with broad responsibilities to protect natural resources. Major Nebraska river basins form the boundaries of the 23 NRDs, enabling districts to respond best to local conservation and resource management needs.*

The Republican Basin Natural Resources Districts (NRDs) and the Nebraska Association of Resources Districts (NARD) remain encouraged by the recommendations issued recently by Special Master William J. Kayatta on the Republican River case.

Further, recently released results of non-binding arbitration related to an augmentation project in the Upper Republican NRD also represented favorable results for Nebraska.

Dean Edson, NARD executive director, said Gov. Dave Heineman, Attorney General Jon Bruning, the Nebraska Department of Natural Resources (DNR) and the legal team that defended Nebraska deserve praise for their diligent efforts to create and defend Nebraska's methods of maintaining compliance with the Republican River Compact.

Edson said the irrigators in the basin also deserve praise for their compliance with regulatory actions and willingness to work with the NRDs and the State of Nebraska to develop workable, common sense, Nebraska-based water management plans. These plans will keep Nebraska in compliance while helping preserve natural resources for generations to come.

"The local NRDs will continue to protect the local economy of Nebraska while providing adequate regulations to protect the water resources," said Joe Anderjaska of Hayes Center, NARD president and a Middle Republican NRD board member.

Anderjaska added, "The ability to create augmentation projects and the willingness of Nebraska irrigators to finance them will assure that Nebraska maintains compliance, sustains the water supply and protects the local irrigated economy in the basin."

The case went before Special Master William J. Kayatta in August 2012.

The State of Kansas had sued Nebraska asking that up to 300,000 acres be permanently retired from irrigation and asked for \$80 million in damages for water use in 2006. Kayatta instead recommended Nebraska pay \$5.5 million in damages.

He didn't recommend a massive shutdown as Kansas had requested, which is a victory worth more than \$100 million annually to the state's economy. His recommendations will now be considered by the U.S. Supreme Court.

On the heels of the Special Master's recommendations, arbitrator Jeffrey Fereday issued a nonbinding arbitration order approving Nebraska's Rock Creek Augmentation Plan and Alternative Water-Short Year Administration Plan.

Fereday rejected Kansas' multi-pronged challenge to the augmentation project in Dundy County and concluded that it complied with terms of a settlement between Kansas, Colorado and Nebraska reached in 2003.

The Upper Republican NRD began operating the project early this year. It takes water that otherwise would have been used to irrigate crops in the sandhills north of Parks, and deposits it into Rock Creek, a tributary of the Republican River.

"The outcomes reflect the hard work of DNR, the AG's Office, the NRDs and water users of the basin to implement measures that achieve and assure Compact compliance," URNRD General

Manager Jasper Fanning said of the Special Master's Report and arbitration order.

Although it would have been preferred to not have a financial damage award, \$5.5 million recommended by the Special Master is much less than the requested \$80 million, Fanning said. Kansas' request for future restrictions on water use was denied and the Special Master acknowledged Nebraska's accounting concerns, which are huge victories compared to the small damage award to Kansas.

Among Special Master Kayatta's recommendations were the following:

Republican River Compact Administration (RRCA) accounting procedures should be corrected for accounting years after 2006 so that Nebraska is not charged with the consumption of Imported Water Supply as if it were Virgin Water Supply.

That 100 percent of the evaporation from Harlan County Lake during 2006 as calculated under the RRCA accounting procedures should be charged to Kansas.

Kansas' request that Nebraska be found in contempt should be denied.

All remaining requests for relief, including Kansas' requests for injunctive relief, sanctions and appointment of a River Master, should be denied.

While the special master's recommendations validate Nebraska's compact compliance actions and procedures, the state and NRDs are working to further bolster efforts to ensure long-term compliance in ways that protect the economy.

Since 2006, several laws have changed to give the local districts the ability to develop water conservation and river augmentation projects.

The Nebraska Cooperative Republican Platte Enhancement Project (NCORPE) in Lincoln County provides an opportunity to provide additional water in compact call and water-short years and avoid additional regulation.

Almost 16,000 acres were retired from irrigation by the Lower Republican, Middle Republican, Upper Republican and Twin Platte NRDs with the purchase of the farm.

The project is very similar to the Rock Creek Augmentation Project but significantly larger and will be operational in 2014 to help prevent an irrigation shutdown on 100,000 or more acres in the Basin

In the future, water will also be piped into the Platte River to help return a portion of that Basin to 1997 levels.

Two surface water irrigation districts in the Republican Basin, Frenchman Cambridge Irrigation District and Bostwick Irrigation District, took legal action to stop the Rock Creek and NCORPE projects from being implemented but a federal court dismissed the lawsuit .