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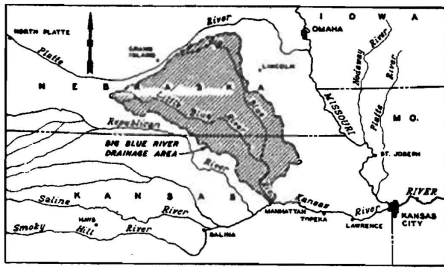
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KANSAS-NEBRASKA BIG BLUE RIVER COMPACT

TWENTY-NINTH ANNUAL REPORT



FISCAL 2002

BEATRICE, NEBRASKA
MAY 16, 2002

KANSAS-NEBRASKA BIG BLUE RIVER

COMPACT ADMINISTRATION

**The Honorable George W. Bush
President of the United States**

**The Honorable William Graves
Governor of Kansas**

**The Honorable Mike Johanns
Governor of Nebraska**

Pursuant to Article VIII, Section 1 of the Rules and Regulations of the Kansas-Nebraska Big Blue River Compact Administration, I submit the Twenty-Ninth Annual Report. The report covers activities of the Administration for Fiscal Year 2002.

Respectfully,



**Clayton Lukow
Compact Chairman**

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2001-2002 MEMBERSHIP

Representatives of the United States

Clayton Lukow

Kansas Representatives

David L. Pope, Topeka ¹

Terry Blaser, Waterville ²

Nebraska Representatives

Roger K. Patterson, Lincoln ¹

Kenneth Regier, Aurora ³

2001-2002 OFFICERS

Clayton Lukow, Chairman

Pam Bonebright, Secretary

Denise Rolfs, Treasurer

2001-2002 COMMITTEES

Budget Committee

Keith Paulsen, Chairperson
Bob Lytle

Engineering Committee

Jeff Shafer, Chairperson
Bob Lytle
Keith Paulsen
Iona Branscum

Water Quality Committee

Dale Lambley, Chairperson
Annette Kovar
Glen Kirk
Denis Blank
Pat Rice
Tom Stiles

Legal Committee

Jim Cook, Chairperson
Leland Rolfs

-
- 1 Term continuous but coincides with duties of the state official who administers water law.
 - 2 Term expires April 25, 2004.
 - 3 Term expires September 19, 2001.

**MINUTES OF
KANSAS-NEBRASKA BIG BLUE RIVER COMPACT ADMINISTRATION
TWENTY-NINTH ANNUAL MEETING**

Call to Order

The Kansas-Nebraska Big Blue River Compact Administration annual meeting was held May 16, 2002, in the Conference Room of the Lower Big Blue Natural Resources District, Beatrice, Nebraska. The meeting was called to order at 9:00 a.m. by Clayton Lukow, Compact Chairman.

Introductions and Announcements

Introductions of attendees were made. Those in attendance were:

Clayton Lukow	Compact Chairman, Holstein, Nebraska
Roger Patterson	Nebraska Commissioner
David Pope	Kansas Commissioner
Denise Rolfs	Compact Treasurer
Pam Bonebright	Compact Secretary
Kenneth Regier	Nebraska Citizen Representative
Terry Blaser	Kansas Citizen Representative
Keith Paulsen	Nebraska Department of Natural Resources, Lincoln
Jeff Shafer	Nebraska Department of Natural Resources, Lincoln
Jim Cook	Nebraska Department of Natural Resources, Lincoln
Leland E. Rolfs	Kansas Dept. of Agriculture, Topeka
Bob Lytle	Kansas Dept. of Agriculture, Topeka
Dale Lambley	Kansas Dept. of Agriculture, Topeka
Bob Joseph	U.S. Geological Survey, Lincoln
Phil Soenksen	U.S. Geological Survey, Lincoln
Ron Fleecs	General Manager, Lower Big Blue Natural Resources District, Beatrice
Dave Clabaugh	Lower Big Blue Natural Resources District, Beatrice
Craig Romary	Nebraska Department of Agriculture, Lincoln
John Turnbull	General Manager, Upper Big Blue Natural Resources District, York
Mike Onnen	General Manager, Little Blue Natural Resources District
Orlalee Zimmerman	Board Member, Lower Big Blue Natural Resources District

Minutes of the 2001 Meeting

Chairman Lukow stated that the minutes for the 2001 annual meeting had been reviewed and signed by both states and were distributed prior to the 2002 meeting. There was a correction made to the minutes on page four, bottom of the page. The last lines that say about 34% of the basin is controlled by flood control dams, should say about 34% of the Lower Big Blue NRD is controlled by flood control dams.

It was noted that at the tour and dinner the night before the Compact meeting that a plaque was presented from the Compact Commission to the recently retired Glen Engle for his many years of service to the Compact.

Report of the Chairman

Chairman Lukow stated that the agenda had been circulated prior to the meeting and that it would stand as circulated.

Chairman Lukow commented on the variance of rainfall in the region. In his area they were very fortunate to have had four inches of rain in the four weeks prior to the meeting. Chairman Lukow also mentioned the carbon sequestration issue, and that the official study report was issued by the Nebraska Department of Natural Resources on May 8, 2002. Chairman Lukow also commented that he believes that minimum till and no till are major positive contributors to the sequestration of carbon.

Nebraska Report

Commissioner Patterson gave the Nebraska report. He began with interstate water issues. He reported that in November 2001 a settlement was reached by Nebraska, Wyoming and Colorado concerning the Nebraska vs. Wyoming lawsuit. He stated that the forecast runoff in the North Platte Basin for April-July is 29% of normal and that as a result we are in an allocation year. An allocation year means there is not enough water for the 13 irrigation districts in Wyoming and Nebraska and that many specific provisions of the new Modified Decree are in effect. He stated that he believed Wyoming is doing a reasonable job given that the allocation year occurred during the first year under the Modified Decree. Wyoming has gone to the legislature and

asked for \$30 million to implement the Decree. Even though Wyoming needs to hire an additional ten or 12 employees they are in heavy water administration. The water supply for the districts is about 60% of the full allocation and every week seems to be further reduced.

The latest interstate problem is on the Missouri River. This involves both Kansas and Nebraska. Dry conditions prevail in the Missouri River Basin with the Corps of Engineers forecasting about 18 million acre-feet of inflow, 73% of normal. System storage is about 5 million acre-feet down from where it was last year at this time and about 10 million acre-feet less than normal. The states of South Dakota, Nebraska, North Dakota and Montana all have gotten Federal District Courts to issue four separate orders - all providing what the home state asked for. The Corps of Engineers as of now has not filed an appeal, but it could as early as today. The Lower Brule Tribe in South Dakota may file an additional lawsuit in Washington, DC. The Basin Governors have had some conversations in an attempt to head off additional litigation.

In the Republican River case between Kansas and Nebraska, Commissioner Patterson stated that he could not report a lot other than the states have been in settlement discussions for some time and are making progress. As a result, the Special Master has delayed the proceedings to give the states time to continue to talk.

The Platte River Cooperative Agreement is still being worked on. The three states and the Department of Interior are developing a program for endangered species recovery. The planning time has been extended through the summer of 2003; although that can be moved by six months.

The state budget has dominated the legislative activities in Nebraska for the past year. The Governor first convened a special session in November in order to make some initial reductions. At that time they made budget cuts of around \$170 million, which translated to a 4% cut for agencies this year and a 5% cut the next year. During the regular session the legislature had another \$200+ million shortfall to deal with. They closed about half of that gap through additional budget cuts and other half through tax increases. Overall the Department of Natural Resources has had a 14% reduction for next year. All the funds that the Department administers were reduced from 8% to 25%. The Department's operation budget, which included salaries, equipment, travel, and training, was reduced a little over 11%.

Other legislative bills that affect the Department include LB 458, a bill that was passed and signed by the Governor on March 18. LB 458 had a couple of provisions relating to DNR; most importantly was an amendment that extended the sunset date for temporary moratoriums on well drilling under LB 108. That provision was set to expire previously in 2002, but now has been extended until December 31, 2007. The Legislature also removed the requirement for DNR to collect fees for change of ownership and updates to information. The Department is hoping this will be an incentive to well owners and water right holders to provide changes to the Department so that it can keep its databases up to date. LB 1003 included a very important amendment authorizing a Water Policy Task Force. The Task Force will include 49 members that are to be appointed by the Governor.

Commissioner Patterson reported that the two carbon sequestration reports mentioned by Chairman Lukow have been completed. The first is a study of the policy overview of carbon sequestration and how it may work should that opportunity develop in our state. The second report was a technical assessment to see what potential there is across the state to sequester carbon.

Ken Regier commented on the Cooperative Agreement for the Platte River, stating that he feels that it is not moving along quickly enough.

Administration and Gaging

Keith Paulsen reported that there was only one reported shortage last year requiring regulation in the Blue Basin. That shortage occurred in August and was on the North Fork of the Big Blue River near Seward, Nebraska. He stated that about 12 irrigators were regulated and about 60 irrigators were shut off. The shortage lasted only a few days and ended once it rained. The Department was lucky as far as state-line flows go in that Kansas did not need to request administration for the Compact this year. This fall and winter has been extremely dry in the Blue Basin. Mr. Paulsen commented that there were no cancellations of water rights in the Blue Basin and that there are no plans for cancellations in the basin for the coming year.

John Turnbull submitted the report for the Upper Big Blue NRD. This written report is included herein as **Exhibit N**. He highlighted portions of the report. There were questions concerning nitrate levels. Commissioner Pope asked whether there was a limit percentage paid per well in the well abandonment program. Turnbull stated the NRD paid 65%.

Mike Onnen from the Little Blue NRD submitted a written report, which is included herein as **Exhibit O**. He highlighted portions of the report. Jeff Shafer pointed out that while the report shows that 38,349 AF of storage out of the 200,000 AF allocated by the Compact has been constructed, there are exclusions that need to be considered. The exclusions include all reservoirs under 200 AF and the flood and sediment storage capacities in larger reservoirs. Mr. Onnen stated that he did not take these exclusions into account when computing the numbers in the report.

Ron Fleecs from the Lower Big Blue NRD submitted a written report, which is included herein as **Exhibit P**. He highlighted portions of the report. The Lower Big Blue measures 34 wells for the Compact. This spring there was an average increase of 0.36 feet in those wells from spring last year. In the past year 21 of the wells showed an increase in water levels and 13 showed decreases. The biggest increase was a well that increased about 2½ feet from last spring. One well declined about 1¼ feet from last spring.

Chairman Lukow requested a vote to accept these reports as presented. Commissioner Pope moved to accept the reports, Commissioner Patterson seconded. Chairman Lukow declared the MOTION CARRIED.

Kansas Report

Litigation

Commissioner Pope reported that the Kansas v. Colorado lawsuit nearing completion in that this summer the future compliance portion of the suit will be heard. He also reported that the damage portion of the litigation was heard by the supreme court and that the monetary damages are going to be between \$22 and \$53 million.

Commissioner Pope noted the Kansas v. Nebraska case was ongoing, but that he had nothing to add to Commissioner Patterson's report on the subject.

On the Missouri River litigation Commissioner Pope stated that Commissioner Patterson has covered the issue sufficiently and complemented the State of Nebraska on their work on the subject. He also reported that flows in the Missouri River below Kansas City have been high due to local runoff.

Legislation

Commissioner Pope reported that the 2002 legislative session was dominated by budgetary concerns and that consequently there was not much legislation that dealt with water related issues or Agencies. He reported that the State of Kansas faced a \$700 million shortfall and that about half was expected to be made up of budget cuts and about half would come from additional revenue. At the present time their Divisions budget had been cut by about 6% and up to another 8% cut could be expected. There were a few bills that concerned the Division of Water Resources. The first bill increases the fees for filing water rights applications. A second bill requires owners of high and significant hazard dams to consult with a Professional Engineer for regularly scheduled safety inspections. The Division will do follow inspections and take over the scheduled inspections of dams that are classified as unsafe. The bill also modified the definitions of dams to more closely reflect national standards. The third bill would increase the cap on assessments within Groundwater Management Districts. A final issue was that the Division was given deadlines for reviewing water right applications.

Other Information

Commissioner Pope reported that the State of Kansas is continuing to collect water use reports. He stated that they do have a pilot project for water report filing over the web. He stated that their sub-basin water resources management program is still active and continues to produce good work. Also, the Division is in the process of promulgating several important new rules and regulations.

The Blatant and Recurring Overpumping Project is a compliance and enforcement effort that began in 1999, and continues. The top users of groundwater in the Groundwater Management Districts in excess of their authorized quantities have been targeted for this project. These water users are provided technical assistance and are required to install and maintain a functioning water meter, as well as develop and implement a water conservation plan. The plan, among other items, requires monthly water use reporting.

Commissioner Pope ended his report by stating that much of Kansas was experiencing drought conditions and that some Junior permits in western Kansas had already been shut off.

Commissioner Patterson moved to accept the report, Commissioner Pope seconded. Chairman Lukow declared the MOTION CARRIED.

Federal Agency Report

Bob Joseph of the USGS informed the Compact that Glen Engle had retired after 37 years with the USGS. He also reported that the previous district chief in Nebraska accepted a position in the Missouri office and that he had been named the new district chief in January. Since that time, he has hired five people all due to Glen's retirement, some transfers and new projects. He introduced Phil Soenksen who has now replaced Glen Engel. He will be the new USGS contact for the Compact.

Phil Soenksen distributed the USGS report. It is included herein as **Exhibit Q**. The USGS operates two gages for the compact. He highlighted portions of the report.

Commissioner Patterson moved to accept the report, Commissioner Pope seconded. Chairman Lukow declared the MOTION CARRIED.

Secretary's Report

Pam Bonebright stated she had extra copies of the minutes for anyone that wanted to take a copy with them.

Commissioner Pope moved to adopt the Secretary's Report. Commissioner Patterson seconded the motion. Chairman Lukow declared the MOTION CARRIED.

Treasurer's Report

Denise Rolfs reported that the FY 2001 audit was completed and showed the Compact was in good standing.

Rolfs distributed copies of the FY 2002 Treasurer's report. The report reflected the following:

Funds Available.....	\$ 31,324.96
Total Expenditures.....	11,756.13
Balance on hand as of July 1, 2001.....	15,213.95
Estimated Additional FY2002 Expenses.....	4,600.00
Estimated Additional Interest Income.....	9.00
Estimated Balance on June 30, 2002.....	\$ 14,977.83

Commissioner Patterson moved to accept the Treasurer's Report. Commissioner Pope seconded the motion. Chairman Lukow declared the MOTION CARRIED.

Water Quality Committee Report

Committee Chairman Dale Lambley submitted a written report which is included herein as **Exhibit R**. Mr. Lambley reported on Committee activities and highlighted portions of the report.

On behalf of the Water Quality Committee Mr. Lambley asked the Compact Commissioners to send a letter to the Nebraska Department of Agriculture requesting they examine the possibility of not allowing fall and winter Atrazine application.

Commissioner Patterson moved to adopt the Water Quality Committee Report. Commissioner Pope seconded the motion. Chairman Lukow declared the MOTION CARRIED.

Commissioner Patterson stated that he understands that the Nebraska Department of Agriculture would look favorably on such a letter and would prefer it come from the Compact Commissioners. Craig Romary stated that the letter would be a starting point for this suggestion. Commissioner Patterson moved to support Mr. Lambley in sending the letter. Commissioner Pope seconded the motion. Chairman Lukow declared the MOTION CARRIED.

Engineering Committee Report

Jeff Shafer distributed copies of the Engineering Committee Report, which is included herein as Exhibit A through M.

Mr. Shafer reported that during the past year he had attempted to create electronic copies of the regulatory map, but had found that two sets of maps exist. The first set was included in a 1968 Engineering Committee Report and is referenced in the Compact. The second set was produced in 1983 and adopted by the Compact Commission. There are significant differences between the two sets of maps.

Mr. Shafer reported that most of the data in the report was provided by the USGS in accordance with their contract. Exhibits A and B are hydrographs of the state-line gages. There were no problems meeting the target flows.

The Engineering Committee also reported that the issues of what the Committee does with the data collected, can the Committee do better, and does the Committee need to collect some of the data at all? No one conclusion was reached, but this is something that the committee felt needed further investigation.

Commissioner Pope questioned the two USGS observation wells as to whether they were within the regulatory reaches, Mr. Shafer answered they are. Commissioner Pope also questioned the intent of the different regulatory area maps. Mr. Shafer indicated that the 1968 maps seem to match certain hydric soils and that the 1983 maps delineate a one-mile buffer from the stream.

Commissioner Patterson stated that he has no problem accepting the report with the understanding that by doing so we are not agreeing to any particular review of the map. He also stated that the commissioners intend to ask the Engineering Committee and the Legal Committee to do additional work on this so we can come to closure on this issue at the next meeting.

Commissioner Pope then moved that Engineering Committee submit a revised report describing the nature of the differences that have been identified in the regulatory maps and to identify those wells outside the map areas identified as Exhibits A and B in the 1968 Engineering Committee Report. The revised report is to be submitted to the members of the administration for their review prior to acceptance. Commissioner Patterson seconded the motion. Chairman Lukow declared the MOTION CARRIED.

Legal Committee

Jim Cook submitted a draft description of the Compact that will be further modified and included herein as Exhibit S. This report is to be used to help educate the public on the Blue River Compact.

At this time Chairman Lukow read into the record a proposed news release for the Compact that after corrections is included herein as Exhibit T. The Legal Committee was asked make the necessary changes to the news release to recognize others involved in the Compact.

Commissioner Pope questioned an area on the report submitted by the Committee. Near the bottom of the first major paragraph on page two, there is a comment about "...if either state exports water from the basin, those exports must be stopped when flows at the state line fall below the required minimum." Commissioner Pope suggested a clarification to that sentence.

Commissioner Patterson moved to accept the product produced by the attorneys with Commissioner Pope's recommended modification and also Chairman Lukow's document with recommended changes. Commissioner Pope seconded the motion. Chairman Lukow declared the MOTION CARRIED.

Budget Committee

Keith Paulsen distributed copies of the budget analysis chart that is included herein as Exhibit U. Budget committee met this year on April 11th in Marysville. The tablet shows that the Compact is continuing to spend slightly more than its income. This will begin to cause a problem within the next five years.

Mr. Paulsen reported that some of the budget items are mandatory but some of the items that are performed, such as low flow measurements and the groundwater well readings that the Lower Big Blue does are not necessarily mandatory. The Compact could save some money by eliminating those, scaling them back or finding a way to do it cheaper. Commissioner Patterson questioned whether we are using the data from the low flow measurements and what the data is being used for. Discussion revealed that the low flow measurement data were originally collected for a ground water - surface water model. Mr. Shafer stated concerns about the model being outdated. The main

question is whether the Compact is paying for data that are not needed. Mr. Lytle stated that if there are big changes occur in the basin that we wouldn't be preclude us from starting to do it another year, to make a one year contract with the USGS.

The consensus by the Commissioners was to suspend the low flow measurements.

Commissioner Patterson moved to adopt the Budget Committee Report and recommended that we work with the USGS to amend the contract accordingly for the fiscal year 2003. Commissioner Pope seconded the motion. Chairman Lukow declared the MOTION CARRIED.

Old Business

There was no old business.

New Business

Commissioner Pope moved that the committee assignments be as follows: Legal committee - review the language in the Compact related to the potential interpretations of the regulatory reach and come back with a conclusion that is workable for next year. Engineering Committee - review the technical data in regard to the nature of the aquifer systems that exist and examine well logs and other information to determine hydrologic connection issues. Commissioner Patterson seconded the motion and asked that those two committees coordinate their assignments. Chairman Lukow declared the MOTION CARRIED.

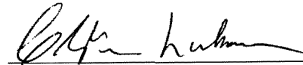
Chairman Lukow identified the next annual meeting date of May 15, 2003. The meeting will be located in Kansas. Commissioner Pope made the motion to accept this date. Commissioner Patterson seconded the motion. Chairman Lukow declared the MOTION CARRIED.

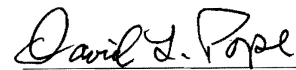
Chairman Lukow announced that pending the appointment of a new Compact Chairman from the new administration, next year will be his last.

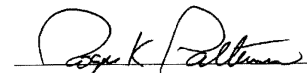
Committee membership for the upcoming year was assigned as follows:

Budget Committee:	Bob Lytle, Chairperson Keith Paulsen
Legal Committee:	Leland Rolfs, Chairperson Jim Cook
Engineering Committee:	Jeff Shafer, Chairperson Keith Paulsen Iona Branscum Bob Lytle
Water Quality Committee:	Dale Lambley, Chairperson Annette Kovar Rich Reiman (Vacant) Pat Rice Tom Stiles

There being no further business, Chairman Lukow adjourned the meeting at 12:45 a.m.


Clayton Lukow, Compact Chairman


David Pope, Kansas Commissioner


Roger K. Patterson, Nebraska Commissioner

**REPORT OF THE ENGINEERING COMMITTEE
TO THE
KANSAS-NEBRASKA BIG BLUE RIVER COMPACT ADMINISTRATION
June 7, 2001 – May 16, 2002**

The Engineering Committee met April 11th in Marysville in preparation for the compact meeting and to discuss the issue of the groundwater regulatory area map. The Compact Administration did not give the committee any special assignments.

The 2001 data were collected in accordance with the agreements with the United States Geological Survey (USGS) and the Lower Big Blue Natural Resources District (LBBNRD).

REVIEW OF STREAMFLOW DATA

The Compact sets forth the following stream flow targets:

	Big Blue River	Little Blue River
May	45 cfs	45 cfs
June	45 cfs	45 cfs
July	80 cfs	75 cfs
August	90 cfs	80 cfs
September	65 cfs	60 cfs

During the 2001 water year (October 1, 2000 thru September 30, 2001) the mean daily streamflow at the Barneston gage on the Big Blue River (Exhibit A) and the Hollenberg gage on the Little Blue River (Exhibit B) exceeded the target flows established by the Compact.

Recent and Historical Data for the two gages can be found at the following USGS websites:

Big Blue River - http://waterdata.usgs.gov/ne/nwis/uv/?site_no=06882000
Little Blue River - http://waterdata.usgs.gov/ne/nwis/uv/?site_no=06884025

REVIEW OF GROUNDWATER DATA

The USGS provides hydrographs for two wells in Gage and Jefferson Counties (Exhibit C). Exhibit E is a map showing their location along with the locations of the wells measured by the LBBNRD (Exhibit D).

REVIEW OF WELLS IN REGULATORY REACHES

The lists of registered wells in the groundwater regulatory reaches were reviewed during the past year. It was found that two sets of regulatory area maps exist. One set (Exhibits F and G) was originally included in the October 1968 supplement to the April 1968 Report of the Engineering Committee, is referenced in the Compact itself, and appears to be based on the existence and location of certain hydric soils in the river valley. The other set (Exhibits H and I) was originally included in the 1983 Engineering Committee report to the Compact Administration and has been used to define the regulatory area wells since that time. The boundaries shown on Exhibits H and I appear to be based on a one-mile distance from the stream. Exhibit J is a list of wells that fall within the 1983 regulatory area map. Exhibit K lists the wells that fall outside the 1968 map but inside the 1983 map.

REVIEW OF SEEPAGE DATA

Seepage measurements were taken in November of 2001 on both the Big and Little Blue Rivers (Exhibit L). A map showing the locations of the seepage measurements can be found in Exhibit M).

Respectively Submitted,

Jeffrey T. Shafer
Jeffrey T. Shafer, Chair
Nebraska

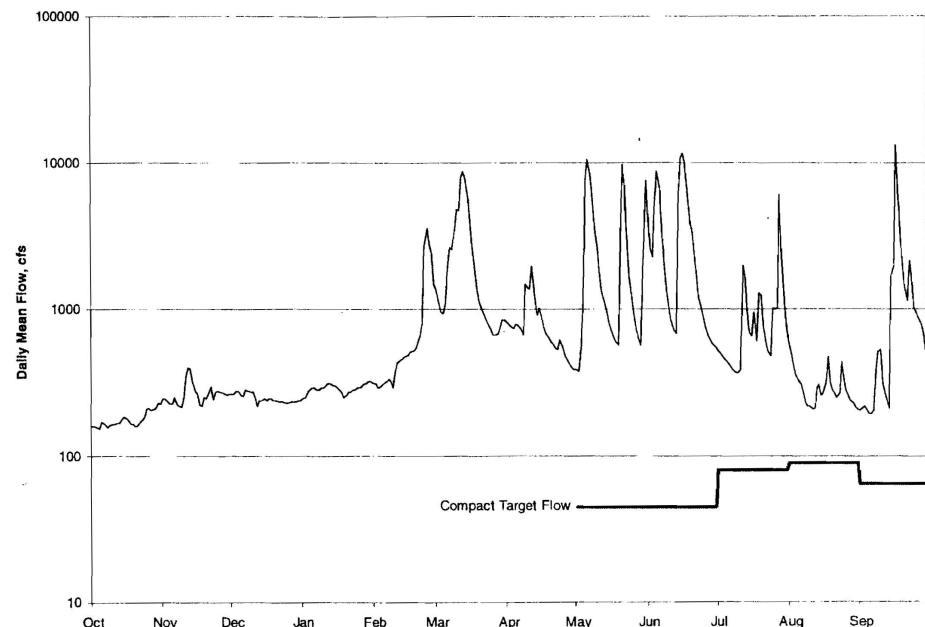
Robert F. Lytle Jr.
Robert F. Lytle Jr.
Kansas

Keith A. Paulsen
Keith A. Paulsen
Nebraska

Iona Branscum
Iona Branscum
14 Kansas

Exhibit A

BIG BLUE RIVER AT BARNESTON, NEBRASKA - 06882000

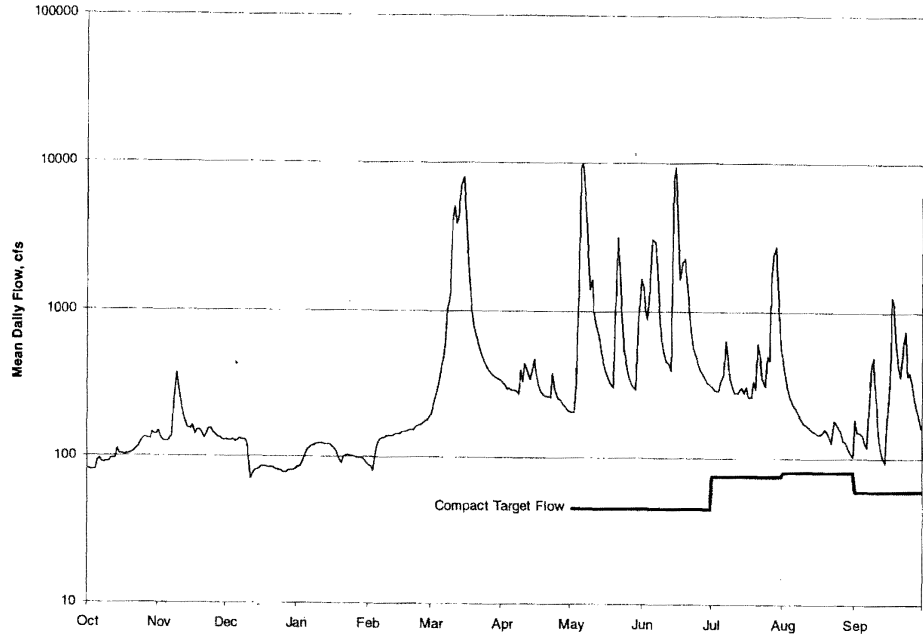


	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
TOTAL	5509	7966	7678	8875	22770	74667	23768	86123	100902	30402	9320	43134
MEAN	178	266	248	286	813	2409	792	2785	3363	981	301	1438
MAX	230	399	282	320	3580	8740	1940	10500	11700	6090	576	13200
MIN	155	215	220	245	290	672	388	372	546	366	209	195
AC-FT	10930	15800	15230	17600	45160	148100	47140	171200	200100	60300	18490	85560

	FOR 2000 CALENDAR YEAR				FOR 2001 WATER YEAR				WATER YEARS 1933 - 2001			
ANNUAL TOTAL	151549				421314							
ANNUAL MEAN	414				1154				872			
HIGHEST ANNUAL MEAN									2781			
LOWEST ANNUAL MEAN									115			
HIGHEST DAILY MEAN	6270				Jul 4				13200			
LOWEST DAILY MEAN	89				Aug 17				155			
ANNUAL SEVEN-DAY MINIMUM	104				Aug 12				162			
MAXIMUM PEAK FLOW									15800			
MAXIMUM PEAK STAGE									18.12			
ANNUAL RUNOFF (AC-FT)	300600				835700				631600			
10 PERCENT EXCEEDS	444				2730				1800			
50 PERCENT EXCEEDS	289				413				281			
90 PERCENT EXCEEDS	164				211				104			

Exhibit B

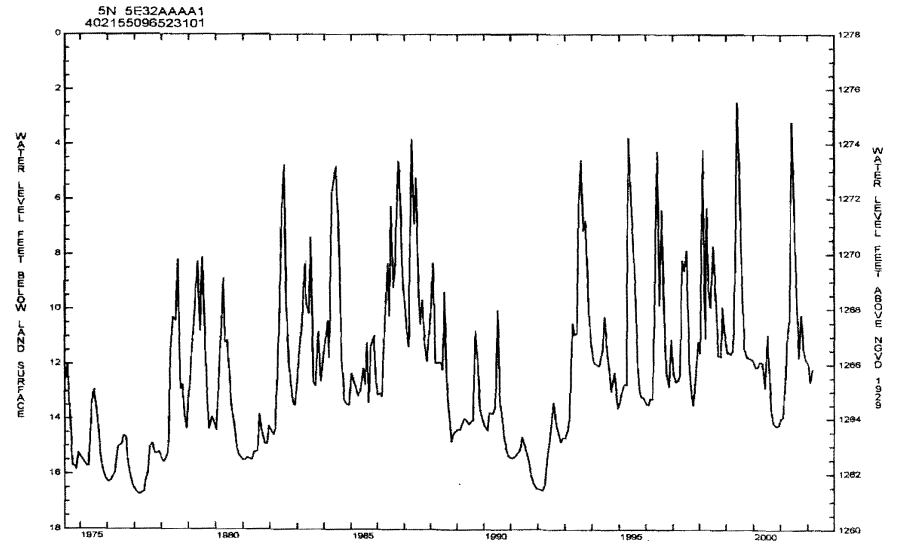
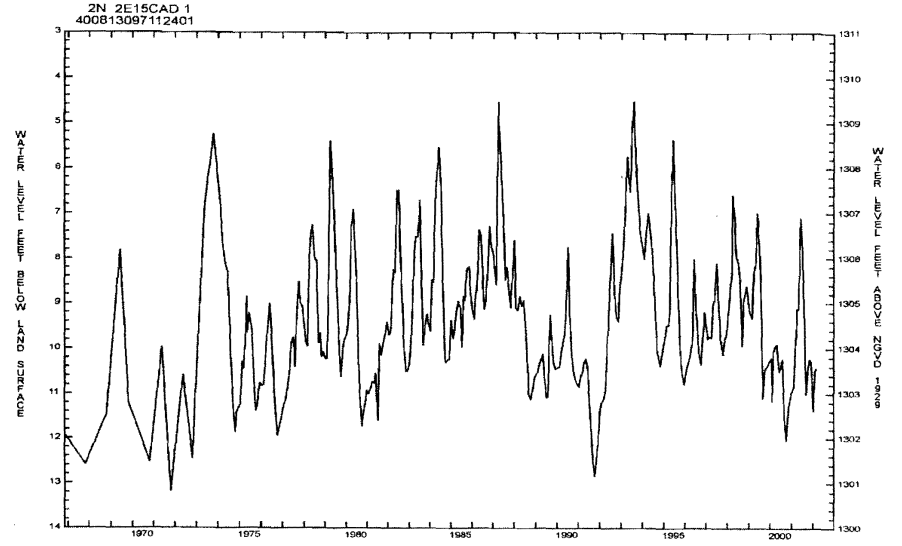
LITTLE BLUE RIVER AT HOLLENBERG, KANSAS - 06884025



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
TOTAL	3320	4886	2999	3311	3989	52018	9269	48334	50098	17925	5726	10286
MEAN	107	163	96.7	107	142	1678	309	1559	1670	578	185	343
MAX	147	373	133	125	190	7960	473	9960	9320	2780	466	1260
MIN	80	126	70	84	80	200	210	204	321	264	104	94
AC-FT	6590	9690	5950	6570	7910	103200	18390	95870	99370	35550	11360	20400

SUMMARY STATISTICS	FOR 2000 CALENDAR YEAR		FOR 2001 WATER YEAR		WATER YEARS 1975 - 2001	
	Value	Date	Value	Date	Value	Date
ANNUAL TOTAL	107549		212161		537	
ANNUAL MEAN	294		581		1891	
HIGHEST ANNUAL MEAN					195	1991
LOWEST ANNUAL MEAN					39300	Jul 26 1992
HIGHEST DAILY MEAN	9180	Jul 7	9960	May 6	26	Oct 1 1991
LOWEST DAILY MEAN	69	Sep 6	70	Dec 12	27	Sep 27 1991
ANNUAL SEVEN-DAY MINIMUM	77	Sep 13	79	Dec 24	47800	Jul 26 1992
MAXIMUM PEAK FLOW			12800	May 5	21.21	Jul 26 1992
MAXIMUM PEAK STAGE			13.00	May 5		
ANNUAL RUNOFF (AC-FT)	213300		420800		388800	
10 PERCENT EXCEEDS	413		1160		892	
50 PERCENT EXCEEDS	162		193		211	
90 PERCENT EXCEEDS	84		93		108	

Exhibit C



BIG BLUE RIVER COMPACT STATIC WATER LEVELS

LEGAL	SECTION	LOCATION	WELL	DEPTH SPRING 04/04/01	DEPTH IRR 08/16/01	DEPTH FALL 11/06/01
4N-5E	2	AAAA	OW	91.08	93.76	91.98
4N-5E	2	DDAA	IW	15.82		16.68
4N-5E	3	CDBC	IW	21.48		22.58
4N-5E	3	DAAA	IW	17.96		19.07
4N-5E	4	AAAA	OW	13.73	15.84	13.90
4N-5E	4	BBBC	IW	19.32		17.60
4N-5E	7	BBAA	IW	83.45		82.76
4N-5E	9	CBCC	IW	71.82		70.51
4N-5E	10	DDAA	IW	26.99		25.83
4N-5E	11	DACA	IW	15.31		16.10
4N-5E	12	CCCD	OW	12.48	14.07	13.38
4N-5E	14	ABBB	IW	12.06		11.79
4N-5E	14	DDDD	OW	20.98	18.90	DRY
4N-5E	22	BCCC	IW	68.54		67.84
4N-5E	25	AACD	IW	19.77		18.08
4N-6E	6	CBBB	IW	91.43		91.43
4N-6E	8	AABB	IW	92.77		92.80
4N-6E	18	DDCC	OW	6.07	5.76	5.92
5N-4E	12	ABBA	IW	17.75		18.59
5N-4E	13	BADD	IW	16.00		15.29
5N-4E	15	DBBB	IW	17.18		17.15
5N-4E	22	DCCC	IW	48.58		47.57
5N-4E	23	BABB	IW	14.70		15.21
5N-4E	24	AACD	IW	17.78		17.91
5N-4E	25	DDAA	IW	48.43		47.31
5N-5E	7	CADD	IW	60.37		61.25
5N-5E	16	CBBA	IW	73.38		74.28
5N-5E	17	ABBB	IW	42.78		43.62
5N-5E	17	CDAA	OW	65.11	78.97	65.93
5N-5E	20	BCCD	IW	18.66		19.66
5N-5E	21	DDBB	IW	52.34		52.37
5N-5E	29	CBBB	IW	12.80		12.28
5N-5E	33	AADD	IW	17.59		17.91
5N-5E	35	ABBB	IW	102.30		102.89

OW - OBSERVATION WELLS

IW - IRRIGATION WELLS

Blue River Compact Observation Well Location Map

- ▲ USGS Observation Wells
- LBBNRD Observation Wells

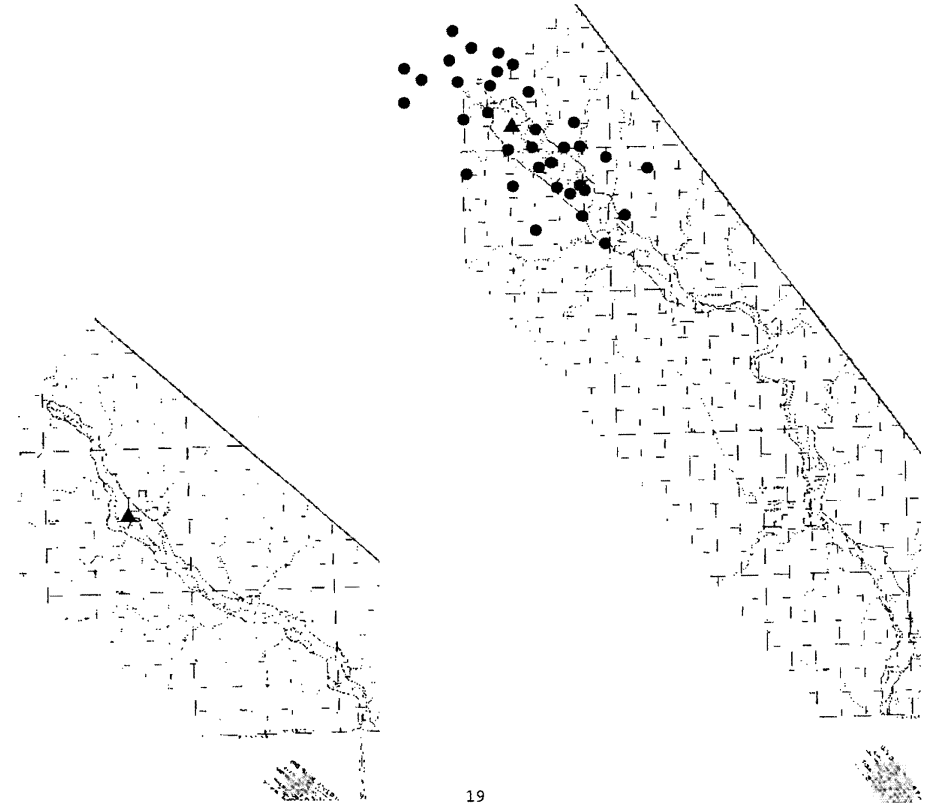


Exhibit F

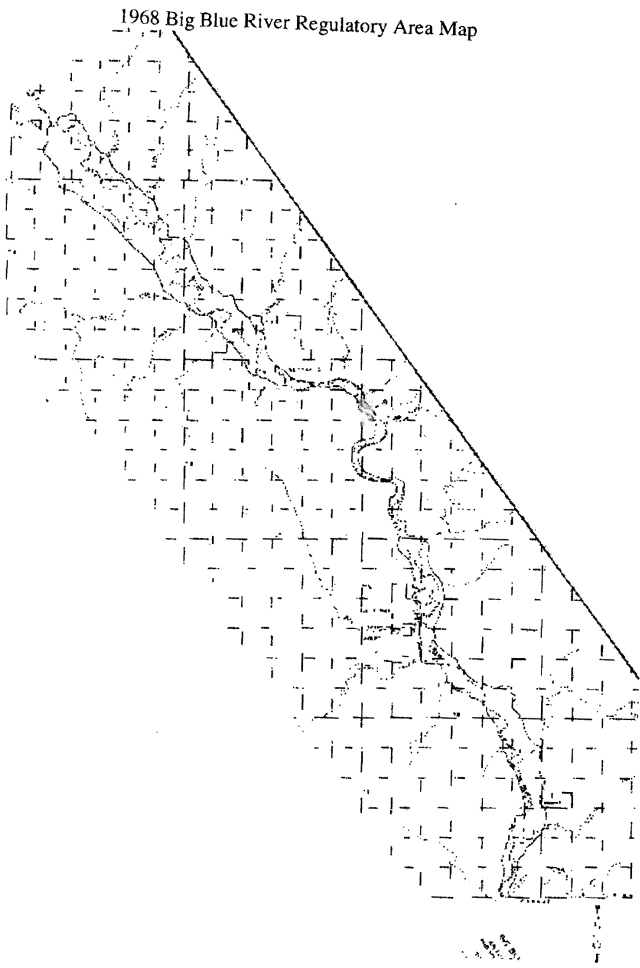
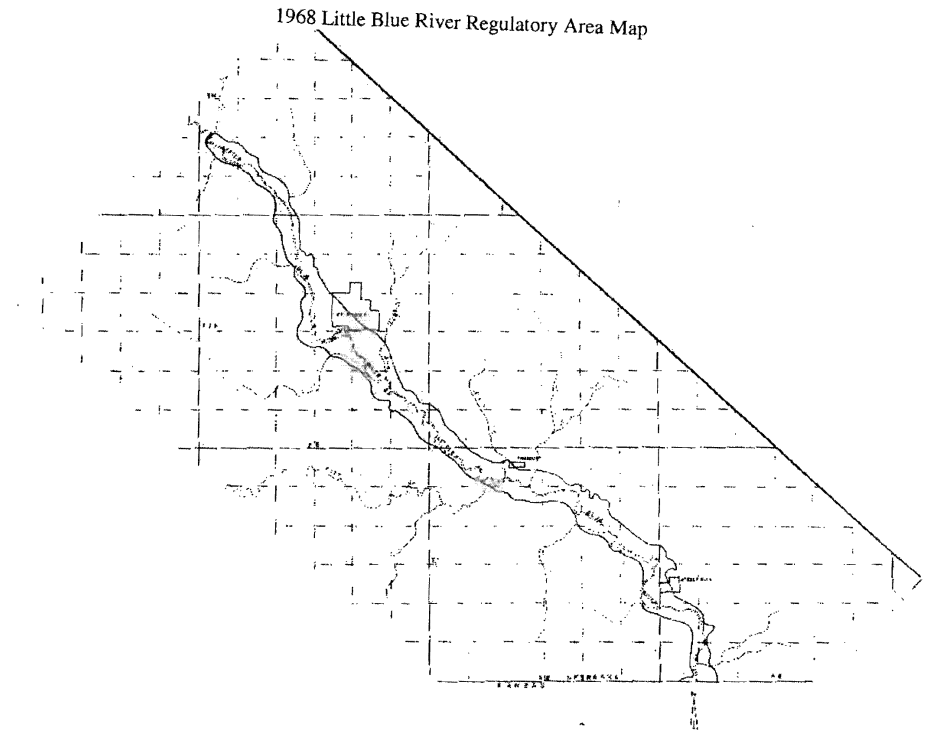
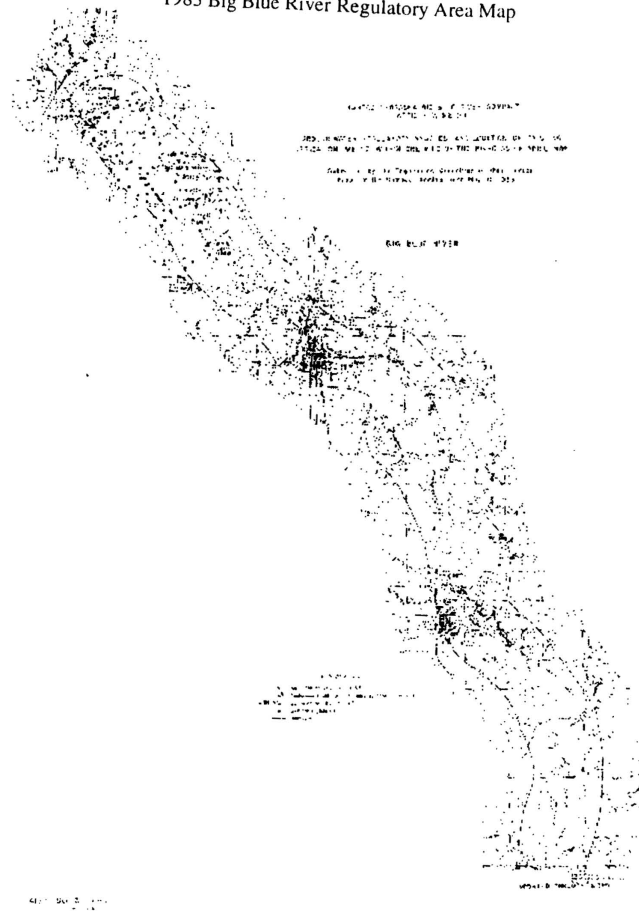


Exhibit G



1983 Big Blue River Regulatory Area Map



1983 Little Blue River Regulatory Area Map

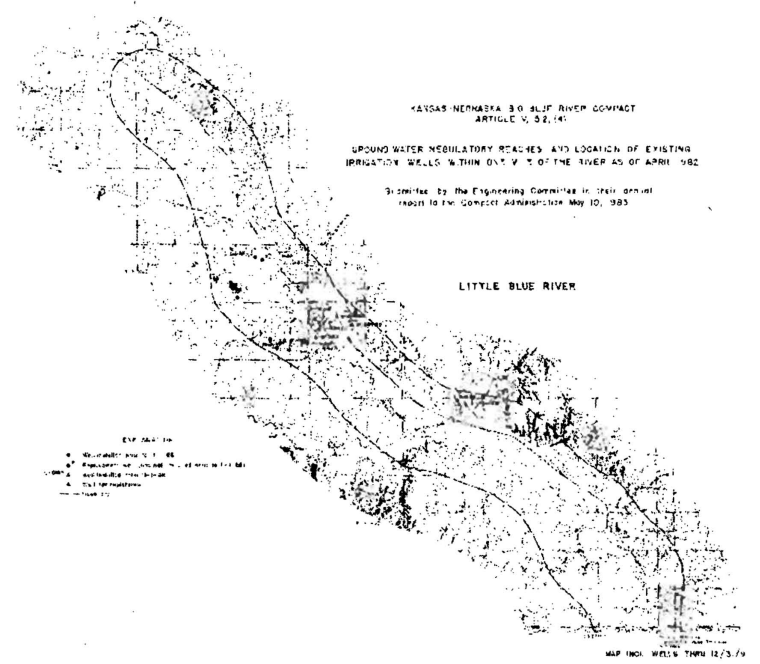


Exhibit J

BLUE RIVER BASIN
WELLS LOCATED IN 1983 REGULATORY AREA MAP

Big Blue River

Registration Number	Location	Completion Date	Depth (FT)	Registration Pumping Capacity (GPM)
G-34172	4N-SE-10AC	05-02-70	91	750
G-36485	4N-SE-11BC	03-28-72	82	750
G-38314	4N-SE-02DD	01-16-73	188	1,300
G-47820	4N-SE-12BB	11-01-75	117	1,200
G-50085	4N-SE-01BA	05-25-76	130	800
G-50086	5N-SE-33AC	05-26-76	123	800
G-53566	5N-SE-20CC	05-05-73	68	600
G-54047	4N-SE-24BB	03-01-76	84	800
G-54048	4N-SE-12BA	03-01-76	121	600
G-54260	4N-SE-14AA	06-01-74	70	800
G-54261	4N-SE-14AB	05-02-70	70	800
G-56152	4N-SE-04BB	04-14-77	91	1,000
G-59128	5N-SE-29AA	04-25-77	60	400
G-59727	5N-SE-33CB	04-19-78	91	1,200
G-60850	5N-SE-20BC	04-28-78	54	800
G-61085	5N-SE-29BC	04-21-78	88	800
G-61086	5N-SE-29CB	04-23-77	80	1,000
G-64213	5N-SE-21DC	07-28-80	99	800
G-68243	5N-SE-20CB	06-23-82	52	800
G-69638	2N-7E-04DD	08-24-84	99	800
G-72465	5N-SE-35CC	02-12-90	204	800
G-72756	5N-SE-35DC	02-20-90	274	800
G-73992	5N-SE-30AC	06-24-91	92	700
G-81769	4N-SE-13CD	04-22-94	65	250
G-94572	4N-SE-01CA	06-22-73	123	700
G-100477	5N-SE-28AA	??-??-75	??	800
G-100788	5N-SE-29AB	03-19-99	65	500
G-110669	4N-5E-13CC	06-29-2001	64	375
G-110847	4N-SE-03DA	07-02-2001	82	800
G-110849	5N-SE-29DD	07-02-2001	102	800

Little Blue River

Registration Number	Location	Completion Date	Depth (FT)	Registration Pumping Capacity (GPM)
G-44015	2N-2E-27DB	07-15-74	136	265
G-58158	2N-2E-16AA	08-15-77	29	650
G-66381A	2N-2E-26AB	04-10-81	40	175
G-66381B	2N-2E-23DC	04-10-81	42	175
G-66381C	2N-2E-26AB	04-10-81	42	175
G-66381D	2N-2E-23DC	04-10-81	41	175
G-66381E	2N-2E-26AB	04-10-81	39	175
G-66381F	2N-2E-26AB	04-10-81	38	175
G-69789	2N-2E-25AB	12-31-84	108	500
G-86458	2N-2E-27DB	10-26-94	139	670
G-86459	2N-2E-27DB	10-25-94	155	550
G-102220	2N-2E-24DD	04-22-97	124	600

Exhibit K

BLUE RIVER BASIN
WELLS OUTSIDE
THE 1968 REGULATORY AREA MAP
BUT INSIDE THE 1983 REGULATORY AREA MAP

Big Blue River

Registration Number	Location	Completion Date	Depth (FT)	Registration Pumping Capacity (GPM)
G-34172	4N-SE-10AC	05-02-70	91	750
G-50085	4N-SE-01BA	05-25-76	130	800
G-53566	5N-SE-20CC	05-05-73	68	600
G-54048	4N-SE-12BA	03-01-76	121	600
G-60850	5N-SE-20BC	04-28-78	54	800
G-61085	5N-SE-29BC	04-21-78	88	800
G-61086	5N-SE-29CB	04-23-77	80	1,000
G-64213	5N-SE-21DC	07-28-80	99	800
G-68243	5N-SE-20CB	06-23-82	52	800
G-69638	2N-7E-04DD	08-24-84	99	800
G-72465	5N-SE-35CC	02-12-90	204	800
G-72756	5N-SE-35DC	02-20-90	274	800
G-73992	5N-SE-30AC	06-24-91	92	700
G-94572	4N-SE-01CA	06-22-73	123	700
G-100788	5N-SE-29AB	03-19-99	65	500

Little Blue River

Registration Number	Location	Completion Date	Depth (FT)	Registration Pumping Capacity (GPM)
G-44015	2N-2E-27DB	07-15-74	136	265
G-69789	2N-2E-25AB	12-31-84	108	500
G-86458	2N-2E-27DB	10-26-94	139	670
G-86459	2N-2E-27DB	10-25-94	155	550
G-102220	2N-2E-24DD	04-22-97	124	600

Exhibit L

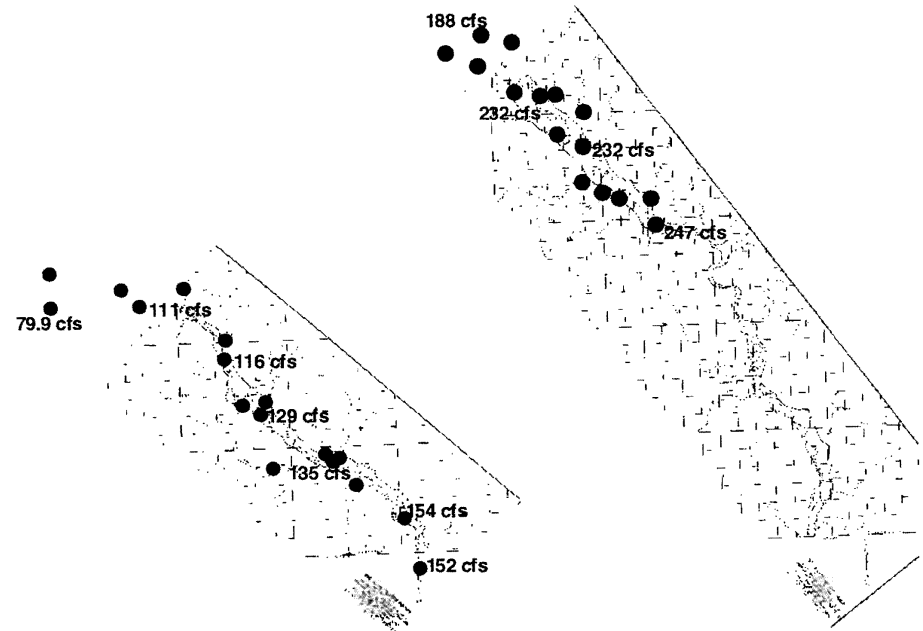
Big and Little Blue River Seepage Investigations

Current-meter measurements or observations of zero flow
Sites in downstream order

Location	Discharge (cfs)
Big Blue River Basin	
Nov 30, 2001	
Big Blue River 1.5 miles N of DeWitt in SW ¹ / ₄ NE ¹ / ₄ of sec 12, T5N, R4E	188
Clatonia Creek 1 mile NE of DeWitt in NW ¹ / ₄ NW ¹ / ₄ of sec 17, T5N, R5E	1.26
Turkey Creek 1.5 miles W of DeWitt in SE ¹ / ₄ NW ¹ / ₄ of sec 15, T5N, R4E	37.1
Turkey Creek 0.5 miles S of DeWitt in SE ¹ / ₄ NW ¹ / ₄ of sec 24, T5N, R4E	35.5
Turkey Creek 1.5 miles SE of DeWitt in NW ¹ / ₄ SW ¹ / ₄ of sec 29, T5N, R5E	34.2
Big Blue River 2.5 miles SE of DeWitt in NW ¹ / ₄ NE ¹ / ₄ of sec 33, T5N, R5E	232
Soap Creek 3.5 miles SE of DeWitt in SE ¹ / ₄ SW ¹ / ₄ of sec 27, T5N, R5E	.62
Unnamed tributary to Big Blue River 1 mile N of Hoag in NW ¹ / ₄ NE ¹ / ₄ of sec 10, T4N, R5E	.03
Snake Creek 2 miles NE of Hoag in NW ¹ / ₄ NW ¹ / ₄ of sec 1, T4N, R5E	.10
Big Blue River 1 mile E of Hoag in NE ¹ / ₄ NW ¹ / ₄ of sec 13, T4N, R5E	232
Cub Creek 2 miles S of Hoag in SW ¹ / ₄ SW ¹ / ₄ of sec 24, T4N, R5E	5.59
Bottle Creek 1.5 miles NW of Beatrice in NW ¹ / ₄ SW ¹ / ₄ of sec 30, T4N, R6E	.55
Unnamed tributary to Big Blue River 0.5 miles NW of Beatrice in SW ¹ / ₄ SW ¹ / ₄ of sec 29, T4N, R6E	.44
Indian Creek at Beatrice in SE ¹ / ₄ SE ¹ / ₄ of sec 28, T4N, R6E	2.83
Big Blue River at Beatrice in SW ¹ / ₄ NW ¹ / ₄ of sec 3, T3N, R6E (Gage site 06881500)	247
Little Blue River Basin	
Nov 29, 2001	
Little Blue River 2.7 miles S of Alexandria in SE ¹ / ₄ SE ¹ / ₄ of sec 23, T3N, R1W	79.9
Big Sandy Creek 0.8 miles S of Alexandria in SE ¹ / ₄ SE ¹ / ₄ of sec 11, T3N, R1W	20.8
Big Sandy Creek 1.2 miles W of Powell in SE ¹ / ₄ SE ¹ / ₄ of sec 16, T3N, R1E	25.5
Little Blue River 1.2 miles SW of Powell in SE ¹ / ₄ SE ¹ / ₄ of sec 22, T3N, R1E	111
Little Sandy Creek 2.0 miles E of Powell in NW ¹ / ₄ NE ¹ / ₄ of sec 19, T3N, R2E	2.52
Whiskey Creek 2.1 miles NW of Fairbury in SW ¹ / ₄ SE ¹ / ₄ of sec 33, T3N, R2E	.33
Little Blue River 1.3 miles NW of Fairbury in NW ¹ / ₄ NE ¹ / ₄ of sec 9, T2N, R2E	116
Unnamed tributary to Little Blue River 0.8 miles SW of Fairbury in NE ¹ / ₄ SW ¹ / ₄ of sec 22, T2N, R2E	0
Little Blue River 0.8 miles S of Fairbury in NW ¹ / ₄ NE ¹ / ₄ of sec 26, T2N, R2E (Gage site 06884000)	129
Brawner Creek 0.4 miles SE of Fairbury in SE ¹ / ₄ NE ¹ / ₄ of sec 23, T2N, R2E	.01
Rose Creek 4.0 miles SW of Endicott in NW ¹ / ₄ NW ¹ / ₄ of sec 12, T1N, R2E	11.9
Smith Creek 0.2 miles NW of Endicott in NW ¹ / ₄ SE ¹ / ₄ of sec 5, T1N, R3E	.18
Little Blue River 0.3 miles S of Endicott in SE ¹ / ₄ SW ¹ / ₄ of sec 4, T1N, R3E	135
Rock Creek 0.3 miles SE of Endicott in SE ¹ / ₄ SE ¹ / ₄ of sec 4, T1N, R3E	.59
Coon Creek 2.6 miles NW of Steele City in NW ¹ / ₄ NE ¹ / ₄ of sec 15, T1N, R3E	.32
Little Blue River 0.5 miles S of Steele City in NW ¹ / ₄ NW ¹ / ₄ of sec 30, T1N, R4E	154
Little Blue River 0.6 miles W of Hollenberg in NE ¹ / ₄ SW ¹ / ₄ of sec 8, T1S, R4E (Gage site 06884025)	152

Exhibit M

Blue River Compact Seepage Measurement Location Map



Kansas-Nebraska Big Blue River Compact
Nebraska Report - Upper Big Blue NRD
May 16, 2002

Well Drilling Activities

Seventy-four irrigation wells (73 new & 58 replacement) were drilled in 2001. The total number of registered irrigation wells in the District is 12,722 as of May 10, 2002.

Decommissioned Wells

The NRD started identifying abandoned wells in 1989. The NRD's cost share program for properly decommissioned wells was started in 1992. A total of 809 wells have been closed under this program to date, with an average cost share of \$275.

	Wells Decommissioned	Upper Big Blue NRD	State of Nebraska	Total Cost Share
1992	30	\$6,514		\$6,514
1993	40	9,448		9,448
1994	75	18,998		18,998
1995	68	14,597		14,597
1996	62	15,628		15,628
1997	83	16,055	\$6,591	22,646
1998	74	12,843	8,187	21,030
1999	92	18,212	10,309	28,521
2000	99	17,047	11,959	29,006
2001	82	5,745	17,006	22,751
2002	104	10,864	22,346	33,210
	809	\$145,951	\$76,398	\$222,349

Ground Water Level Changes

The annual groundwater level change for the District from Spring 2001 to Spring 2002 was a decline of 1.77 feet. Last year's decline was 2.25 feet. Due to a number of years of higher precipitation and subsequent groundwater recharge the current groundwater level is still 3.34 feet above pre-development measurements. Today, the average ground water level is 9.67 feet above the allocation trigger point. The attached map shows the area of greatest changes and the county averages.

Groundwater Nitrates

The entire district remains in Phase I management for groundwater nitrates. The district is divided into 12 management zones (see attached map). The trigger level for Phase II management is 9 ppm. Under phase I management the application of anhydrous may not occur until November 1, while application of dry and liquid nitrogen fertilizers must wait until March 1. The District is discussing a change to the groundwater management action plan for a special management phase for well protection area of public water systems. The district will also start a new program titled the "Rural Ground Water Quality Awareness Program". Each rural domestic well in a designated area of the NRD will be sampled for nitrate. The rural residents will be provided with information about living with nitrates and Best Management Practices that can help to reduce nitrate contamination. Zone 2 management area in central Hamilton county has been selected for 2002-2004 because it has the fastest increasing nitrates in the NRD.

Soil and Water Conservation Activities

The District provided cost-share for 132 soil and water conservation projects in fiscal year 2001. The total cost for these projects was \$259,725, of which \$128,284 was district funds and \$131,440 was state funded through the Nebraska Soil and Water Conservation Program. 45% of the funds went for terraces, 21% for underground water supply lines to pivots, and 19% for renozzling of pivots for low or medium pressure.

The projects included; Irrigation surge valves (2), irrigation water return lines (3), irrigation reuse pits(1), pitless irrigation reuse systems (1), renozzling of pivots for low or medium pressure (44), underground water supply lines to pivots (28), diversions (2), grade stabilization structures(1), grassed waterways (2), mechanical outlets (1), sediment control basins (3), terrace systems (28), water impoundment dams (1), windbreak plantings (12), and windbreak renovations (3).

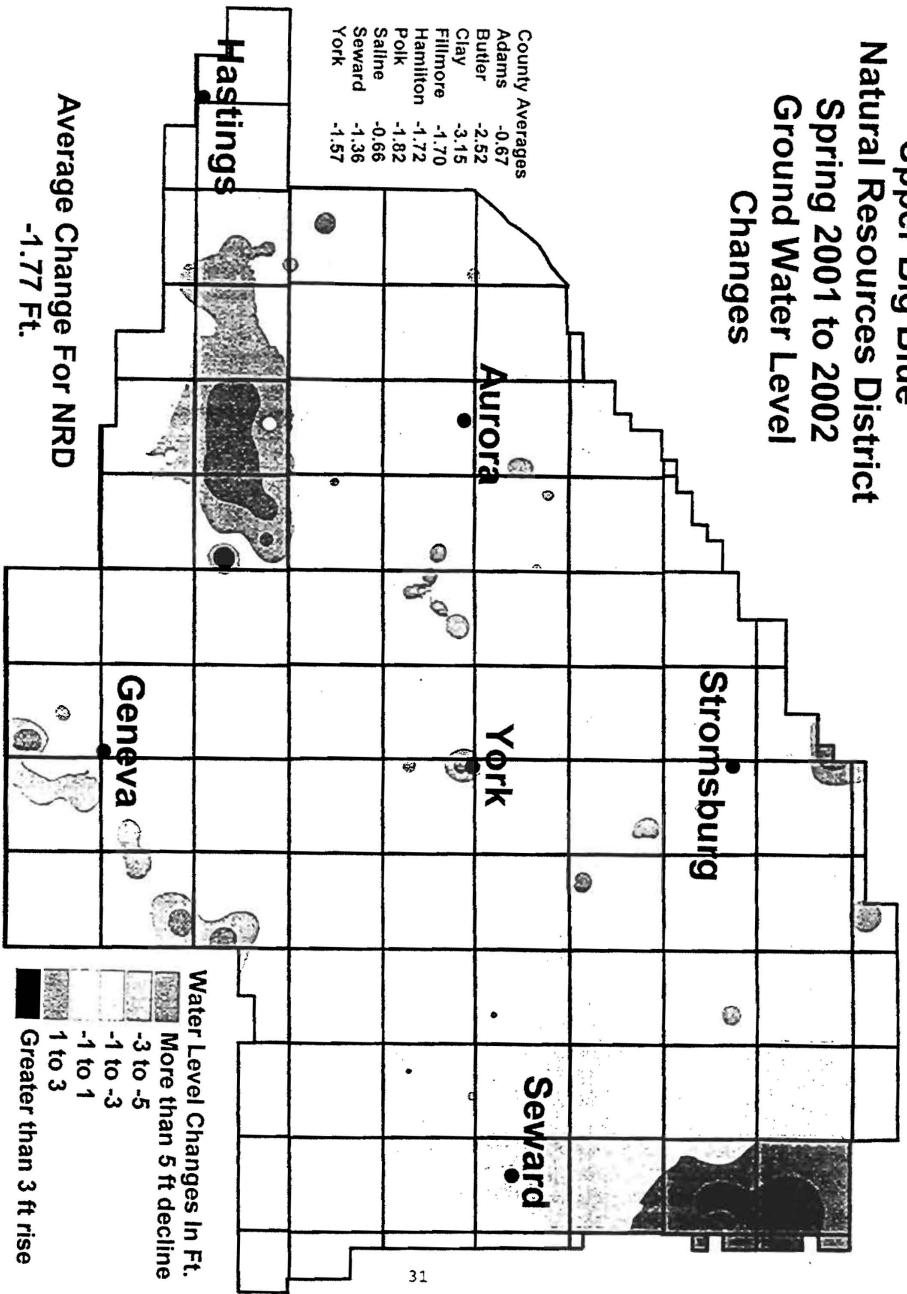
Indian Creek Reservoir Planning

Planning for the Indian Creek Project, a multipurpose dam and reservoir proposed to be constructed near the town of Cordova, Nebraska, was suspended due to indications that high seepage rates would make it difficult to maintain a usable pool for recreation.

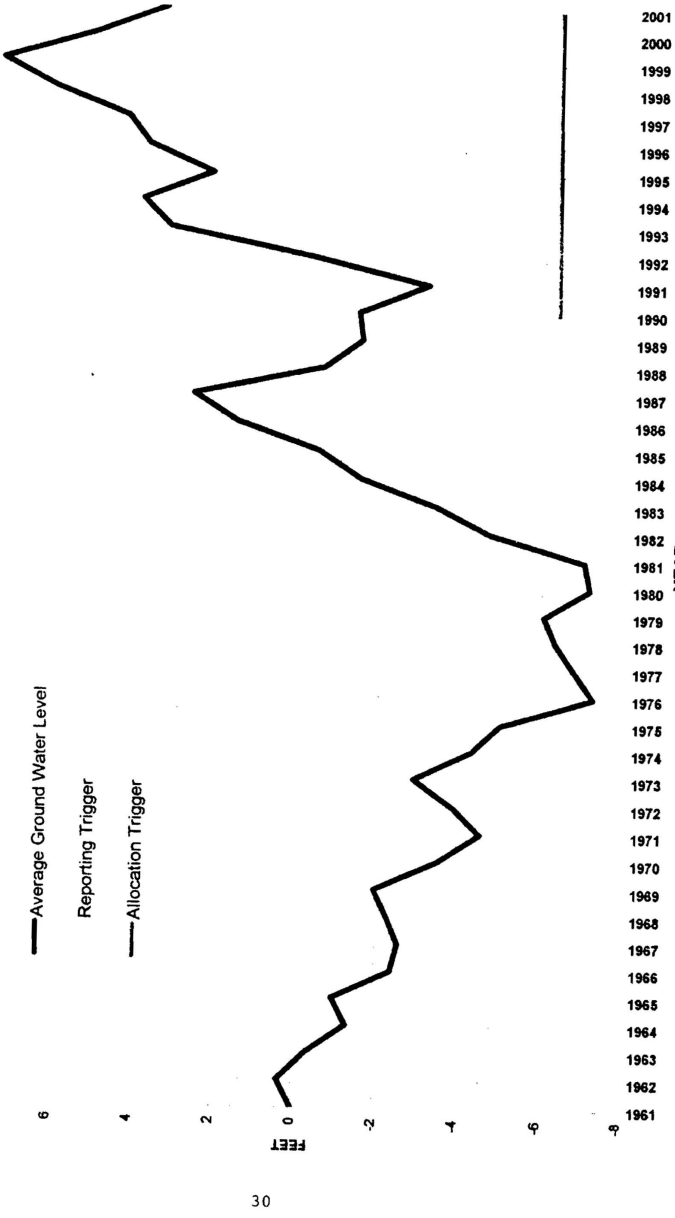
Flood Hazard Mitigation Projects

The flood plain buyout along Plum Creek on the east side of Seward has been completed. The Federal Emergency Management Agency, the NRD, and the City of Seward spent about \$1,500,000 acquiring most of the flood prone properties. It was much cheaper than the alternative of spending \$ 6,000,000 on a dam and levees. A soccer and softball field complex has recently been built in the buyout area. A 2 ½ mile trail system is now being designed by the NRD that will be located along the stream on the lands now owned by the City. Houses and businesses located in the Big Blue River flood plain, along the southern edge of Seward, have been purchased and removed for a cost of \$486,000. Future construction is prohibited in this part of the flood plain to prevent damage to structures during flooding. Landowners were offered a price for their property based on values determined by a licensed appraiser. This project is also jointly sponsored by the City of Seward, Upper Big Blue NRD and Federal Emergency Management Agency.

Upper Big Blue Natural Resources District Spring 2001 to 2002 Ground Water Level Changes

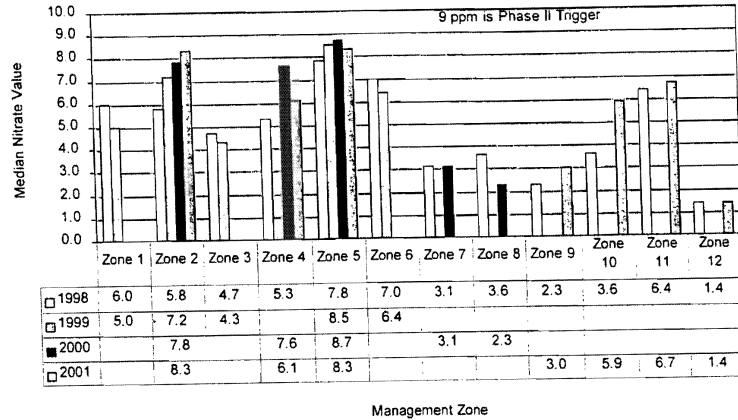


The Spring 2002 ground water level is 7.67 ft. above the reporting trigger and 6.67 ft. above the allocation trigger



UPPER BIG BLUE NRD - AVERAGE GROUND WATER LEVELS TRIGGERS COMPARED TO HISTORIC LEVELS SPRING 2002

**Groundwater Nitrates in GWMA # 2
Upper Big Blue NRD**



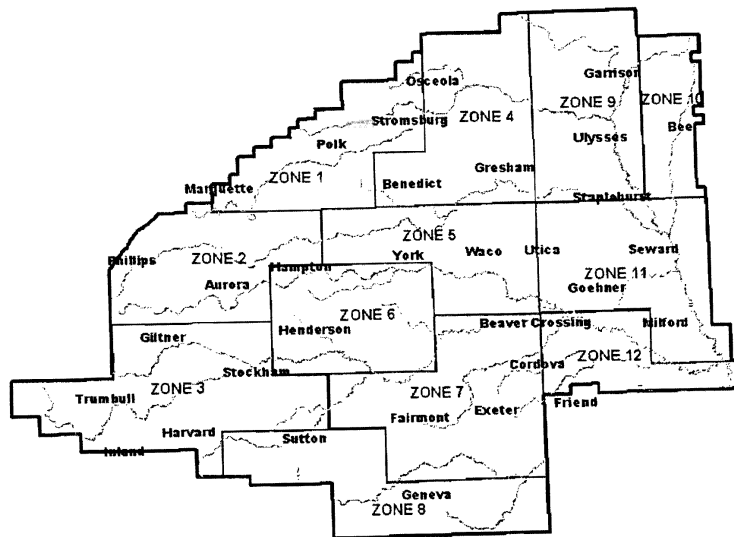
REPORT TO THE LITTLE BLUE RIVER COMPACT

MAY 16, 2002

WATERSHED PROTECTION PROJECT

The 66,700 acre Little Sandy Watershed Project in Jefferson, Thayer, Fillmore and Saline Counties is moving closer to reality. The NRD has submitted the final application for funding and has a presentation before the Nebraska Department of Natural Resources on May 23, 2002. The project has been given preliminary consideration for 70% cost assistance for construction. The Schemmer Associates of Omaha have provided application assistance and preliminary design work.

Pending funding approval, land rights acquisition is expected to begin in 2002 with anticipated construction beginning in 2003. Besides flood control benefits, the projects are expected to contribute significant groundwater recharge, and one site has been identified as a recreation development.



Dam Site Data

Site	Drainage Area (Ac)	Riser Elevation	Permanent Pool (Ac)	Emergency Spillway	Flood Pool (Ac)	Flood Storage (Ac Ft)
12	2,466	1448.5	36	1457.5	85	544
30	825	1490.0	12	1497.3	29	141
40	14,528	1497.0	146	1509.7	363	3,118
61	5,539	1545.0	75	1555.5	192	1,333
73	3,995	1559.5	56	1568.7	137	858
Total	27,226		325 Ac.		806	5,994

Construction Schedule

Sites 61 & 30	FY 2003 - 2004
Site 40	FY 2004 - 2005
Sites 12 & 73	FY 2005 - 2006

Project Annual Benefits

Flood Damage Reduction	\$ 44,240	- (41 % of Drainage Controlled by Structures)
Recreation Activities	\$ 144,034	- (Fulfills 20% of recreation needs of area)
Groundwater Recharge	\$ 38,555	- (Calculated pumpage savings due to recharge)
Total Annual Benefits	\$ 226,829	

Rate of Return: 5.96%

Project Map on Back

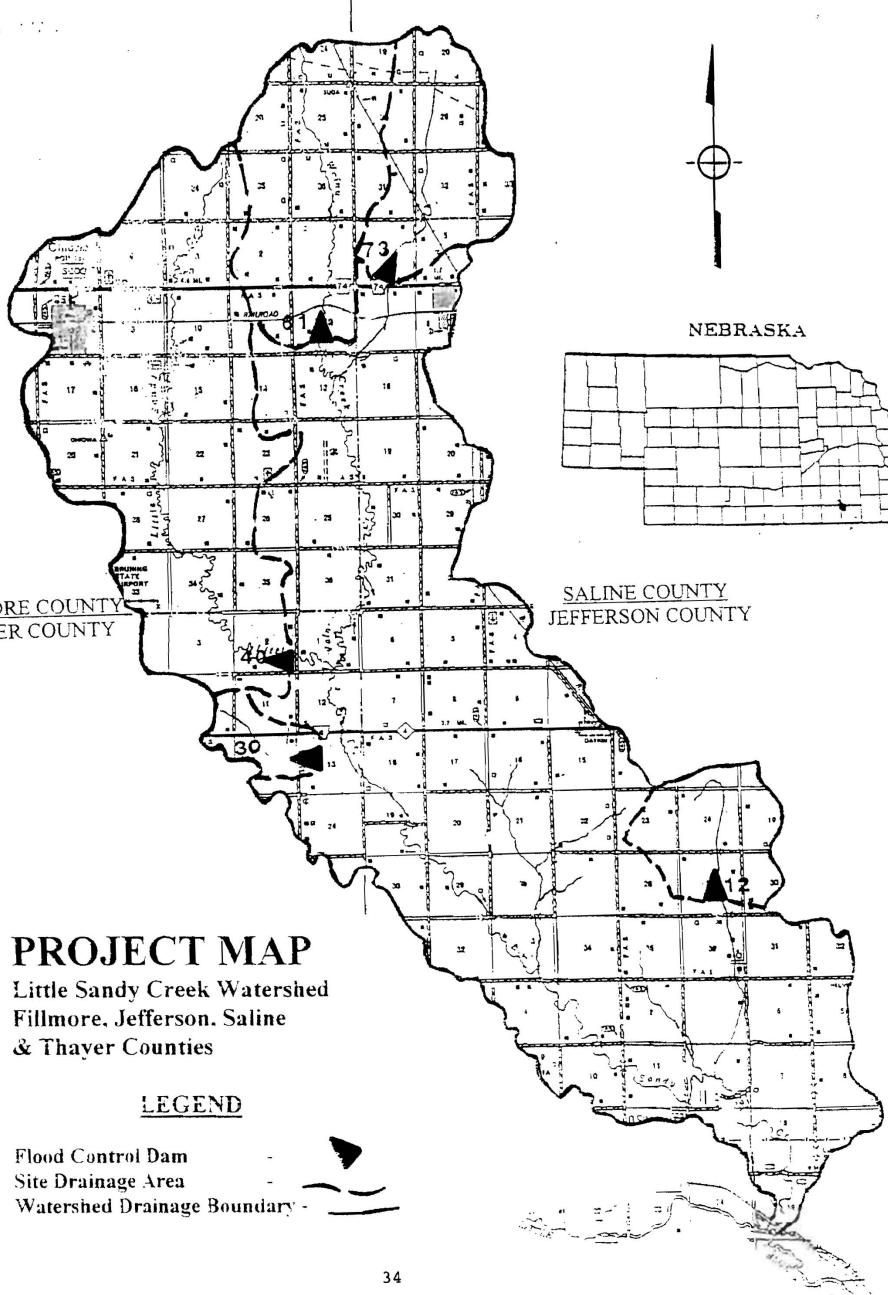
CONSERVATION ACCOMPLISHMENTS FOR 2001

75,237 Feet Terraces
1,077 Feet Waterways
14 Livestock Dugouts
2 Water Impoundment Structures
498 Acres of Pasture and Range Seeding
14 Planned Grazing Systems
35 Tree Plantings - 42,128 Trees Sold
20,909 Feet of Underground Tile Outlets
1 Water and Sediment Control Basins
5 Diversions
341.2 Acres Buffer Strips

The Little Blue NRD provided money to producers for water conservation practices, including 9 irrigation flow meters, 43 pivot drop nozzle packages, 15 chemical/ fertilizer applicator regulators, 2 complete irrigation management units, 95 operator irrigation gates and gaskets practices, and 62 decommissioned water wells.

GROUNDWATER LEVELS FOR SPRING OF 2002

The Little Blue NRD acquired static water levels on 333 irrigation in the spring of 2002. The levels generally were constant to a slight decline with the District's average groundwater table falling 0.32 feet. The greatest declines existed in western Adams County with one township down 2.46'. The largest rise occurred near Clay Center in Clay County. The District has tracked groundwater levels since 1974 with the levels fluctuating in a seven foot window. Currently the levels are approximately 3 feet below the 1974 levels. It should be noted that the average saturated thickness of water bearing material throughout the LBNRD is about 100 feet.

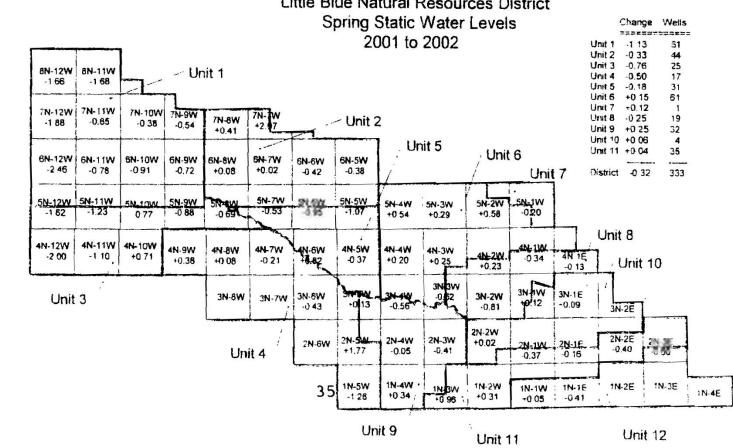


PROJECT MAP
Little Sandy Creek Watershed
Fillmore, Jefferson, Saline
& Thayer Counties

LEGEND

- Flood Control Dam
- Site Drainage Area
- Watershed Drainage Boundary

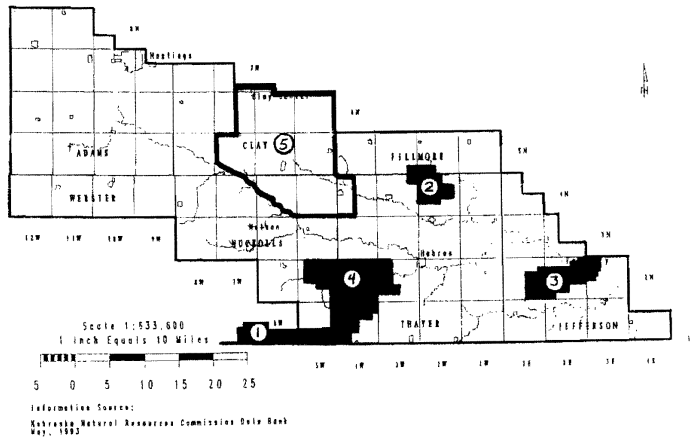
Little Blue Natural Resources District
Spring Static Water Levels
2001 to 2002



WATER QUALITY ACTIVITIES

The Little Blue NRD continues to monitor groundwater nitrates throughout the district and several areas have shown elevating nitrate levels. The entire district was declared a Level I Management area in 1996. Four smaller areas have now been declared as "water quality management sub-areas" because of increasing nitrate levels. The district's plan for addressing these problems focuses on expanded monitoring, operator training & education and the requirement of certain best management practices. The four areas include:

- 1) a 32 square mile area east of Superior, Nebraska where nitrate levels average 10.6 ppm. Operator training, required soil testing, adherence to laboratory recommendations, and annual reporting are components of this area.
- 2) a 20 square mile area surrounding Bruning where nitrate levels average 12.4 ppm. Similar measures are imposed in this area.
- 3) a 34 square mile area surrounding Fairbury. Average nitrates are 7.75 in 20 monitored wells. The City of Fairbury requested that we move to a higher level of management due to their consideration of a Wellhead Protection Area for that area.
- 4) a new 92 square mile water quality management sub-area was declared in the Byron / Deshler / Ruskin areas in the fall of 2001. Nitrate levels averaged 10.2 ppm. Initial actions were to require nitrogen and irrigation water management training and certification for operators in the area, and a baseline report of farming practices.
- 5) Another area is showing extensive nitrate problems and we are currently collecting more samples to determine the extent of the area. It appears to cover an area of approximately 260 square miles in the Clay, Nuckolls and Thayer Counties.



**LITTLE BLUE NATURAL RESOURCES DISTRICT
WATERSHED CONTROL PROGRAMS**

Completed or in Progress

<u>Watershed Name/ No. of Dams</u>	<u>County</u>	<u>Drainage/Controlled</u>	<u>Flood Storage</u>
1. Thirty-Two Mile Watershed (7)	Adams	68,288 / 29,824	5,756 AF
2. MARC Dam (1)	Clay	27,008 / 27,007	6,890 AF
3. Big Sandy Creek - Bruning (1)	Fillmore	15,936 / 15,936	6,706 AF
4. Little Sandy Creek (5-Proposed)	Fl. Th. Jf. Sa	66,700 / 27,226	5,994 AF
5. Bowman - Springs Branch (7)	Thayer	22,850 / 10,926	3,201 AF
6. Balls Branch (Treatment Only)	Thay./Jeff.	18,366	
7. Buckley Creek (6)	Jeff./Thay.	25,380 / 10,880	3,621 AF
8. Liberty Creek (3)	Nuck/ Web.	21,340 / 8,305	2,646 AF
TOTALS		265,868 / 130,104 (48.9%)	

All other small dams built by NRD since 1972

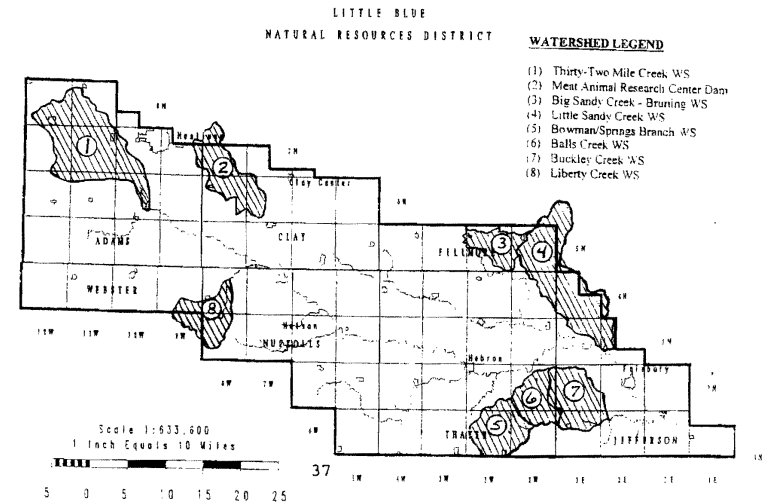
Total Storage

Compact allows for 200,000 AF of storage in the Little Blue Basin.

34,814 AF

3,535 AF

38,349 AF



LITTLE BLUE
NATURAL RESOURCES DISTRICT

WATERSHED LEGEND

- (1) Thirty-Two Mile Creek WS
- (2) Meat Animal Research Center Dam
- (3) Big Sandy Creek - Bruning WS
- (4) Little Sandy Creek WS
- (5) Bowman/Springs Branch WS
- (6) Balls Creek WS
- (7) Buckley Creek WS
- (8) Liberty Creek WS

FY 2002 HIGHLIGHTS

Water Quality & Quantity

- Increased property tax 9.7% to match state allocation.
 - \$39,000 state funds - \$58,500 property tax
- Decommissioned 41 wells last year.
 - Average cost \$347/well – Average cost-share \$141/well
 - 324 wells have been decommissioned since 1992.
- Rural water project became operational in October 2000. 43 users
 - Had very few problems the first year: one small leak, always a couple of delinquent water users.
 - Ended up being a \$328,000 project, with cost/user approximately \$5,200. The Homestead picked up about a third of the project cost. Rural Development Loan of \$207,000 @ 5% with 40-year pay back time.

Land Treatment – 65% of NRD Treated

- NSWCP – NRD funds: \$135,000 State, \$200,000 NRD = \$335,000 total funds
 - 188 applications requesting \$616,000
 - Approved 173 applications for \$332,000
 - Since 1978 installed:
 - 1,330 miles of terraces
 - 73 miles of tile outlets
 - 2,600 acres grassed waterways

EQIP – There are three EQIP projects in the NRD

	2000	2001	2002
- 6 th Year South Turkey	\$318,002	\$213,500	\$140,000
- 4 th Year Beatrice Tribs	207,000	225,000	200,000
- 4 th Year Horseshoe, KS	75,000	75,200	100,000
- Outside Priority Areas	<u>60,000</u>	<u>35,000</u>	<u>42,000</u>
	\$660,002	\$548,700	\$482,000

- There are 216 active EQIP contracts in NRD (10% of state)
- Have submitted a new application called Crete-Wilber-DeWitt Tribs
 - 78,000 acres, possible funding with new farm bill
 - Requested \$300,000
- Buffer Strips 134 contracts - 955 acres
- Small Dam Cost-Share Program
 - Initiated in 1997
 - Constructed 8 dams
 - 4 are in design stage to be contracted this summer

- Cost share ranges from 65% for 40-319 drainage acres to 90% for more than 1280 acres

Flood Control

- All 11 projects completed
 - 180 Flood Control Dams & 73 Grade Stabilization Structures = 253 structures
 - First structure built in 1954
 - Last structure built in 1998
 - The 11 projects control runoff from 357,000 acres or 34% of the NRD.
 - The structures will temporarily store 98,000 acre feet of water and store 27,500 acre feet of sediments in 5,400 acres of surface area.
 - Construction cost was \$11,641,000 and land rights were \$4.5 million.
- Beatrice
 - 6% of 2,496,000 acres above Beatrice are controlled by watershed dams.
- Plum 4-F
 - Trailers below dam and spillway return
- Maintenance
 - \$50,000/year
 - Pipe replacement, rip rap installation, tree removal

Parks & Recreation

- 13 Public Use Areas
 - All associated with flood control program
 - Involve 2,249 acres -- 697 acres of water
 - 4 managed by Game & Parks Commission
 - 9 managed by Lower Big Blue NRD
- New Site 160 acres Northwest of Swanton developed as a Wildlife Habitat Area.
 - Area is for public hunting, fishing, and wildlife habitat.
 - It has a 30-acre lake.

Property tax increased 10% from \$600,000 to \$660,000, primarily for water quality matching funds with state funds.

Valuation \$1.98 Billion - increased 6.5%
 51% Residential, commercial, industrial
 49% Rural

Population 37,885
 74.5% Urban
 25.5% Rural

KANSAS-NEBRASKA BIG BLUE RIVER COMPACT
U.S. Geological Survey --- Water Year 2001
May 16, 2002

The U.S. Geological Survey (USGS) continues to operate two streamflow gaging stations for the Compact Administration---Big Blue River at Barneston, NE (06882000), and Little Blue River at Hollenberg, KS (06884025). Each station automatically records streamflow stage every 30 minutes using an electronic data logger (EDL). These instantaneous values are transmitted via GOES satellite, to USGS offices where they are used to compute preliminary values of instantaneous and daily discharge. Visits are made every 6 weeks to the stations to maintain and calibrate the equipment, make discharge measurements, and download the data directly from the EDL as a backup to the satellite data. The discharge measurements are used to develop and adjust the stage-discharge relations (rating curves) that are needed to convert stage values to corresponding values of discharge.

Graphs of the latest 7 days of stage and discharge values can be viewed at the Survey's Nebraska Web page; the latest 30 days of daily discharge values can be viewed at the Survey's National Web page---addresses shown below.

http://www-ne.cr.usgs.gov/rt-cgi/gen_tbl_pg	Nebraska
http://water.usgs.gov/ne/nwis	National

Before the data are finalized, updates and revisions are made as needed, based on a series of quality checks and reviews. Finalized values of daily discharge and summary statistics are published in the Survey's annual water-resources data report for Nebraska. Streamflow data for water year 2001 were recently published for both the Big and Little Blue River stations.

For the Big Blue River at Barneston, the mean daily discharge of 1,154 ft³/s for WY 2001, was larger than the 433 ft³/s for WY 2000 and the 868 ft³/s for the period of record (1933--2000). The maximum and minimum daily discharges during WY 2001 were 13,200 ft³/s on September 17 and 155 ft³/s on October 4. There were numerous runoff events during March through September.

For the Little Blue River at Hollenberg, the mean daily discharge of 581 ft³/s for WY 2001, was larger than the 301 ft³/s for WY 2000 and the 537 ft³/s for the period of record (1975--2000). The maximum and minimum daily discharges during WY 2001 were 9,960 ft³/s on May 6 and 70 ft³/s on December 4. There were numerous runoff events during March through September.

During base flow conditions in November 2001, a series of streamflow discharge measurements were made at sites on the Little and Big Blue River Basins. For the Little Blue River Basin, based on the measurement of 129 ft³/s at Little Blue River near Fairbury, NE (06884000), flow was between the 25th and 50th percentiles of flow for November and between the 50% and 70% exceedance levels for November 29. For the Big Blue River Basin, based on the daily discharges of 146 ft³/s at Big Blue River near Crete, NE (06881000) and 320 ft³/s at Big Blue River at Barneston, flow was between the 50th and 75th percentiles of flow for November at both stations, near the 30% exceedance level of flow at Crete, and between the 10% and 20% exceedance levels at Barneston for November 30.

The daily discharge records for the Big and Little Blue River streamflow gaging stations for WY 2001, the hydrographs of the two ground-water observation wells in Gage and Jefferson Counties, Nebraska, and a listing of the low-flow measurements were provided to Jeff Shafer of the Nebraska Department of Natural Resources.

The estimate of the Compact Administrations's share of the cost to operate the two streamflow gaging stations for the period July 1, 2003 to June 30, 2004 and the cost for making the low-flow measurements in the fall of calendar year 2003 were sent to Keith Paulsen of the Nebraska Department of Natural Resources.

**KANSAS - NEBRASKA BIG BLUE RIVER
COMPACT ADMINISTRATION
REPORT**

**Water Quality Committee
May 16, 2002**

Background: In 1995, the water Quality Committee and affiliated partner agencies and associations began pursuing four (4) primary objectives designed to enhance water quality in the Big Blue River Basin of Kansas and Nebraska. These objectives were to:

- 1) design and implement a basin wide water quality monitoring program;
- 2) develop and conduct a baseline survey of farm practices utilized in the basin with emphasis on pesticide and nutrient use;
- 3) develop water quality Best Management Practices (BMPs) and economics support information suitable to the basin; and
- 4) initiate and conduct water quality stewardship education and outreach programs in the basins.

Most Water Quality Committee projects are planned and conducted through the use of work groups made up of appropriate governmental agency, land grant university and private sector partners. The full committee and affiliated partners meet annually for a review of the status of existing projects and to establish goals for the upcoming year. Traditionally, the annual meeting is held during the month proceeding the annual meeting of the Kansas - Nebraska Big Blue River Compact Administration.

A report of committee activities and status of existing projects follows:

Annual Meeting: The annual meeting of the Kansas - Nebraska Big Blue River Compact Administration's Water Quality Committee was held on May 2, 2002 from 9:30 a.m. to 2:30 p.m. at the offices of the Lower Big Blue Natural Resources District, 805 Dorsey Street, Beatrice, NE. Those participating included committee members Annette Kovar and Pat Rice (Nebraska Department of Environmental Quality), Margaret Fast (Kansas Water Office), Tom Stiles (Kansas Department of Health and Environment), Rich Reiman (Nebraska Department of Agriculture) and Dale Lambley (Kansas Department of Agriculture). Other partners attending included: Jessica Baetz (Kansas Corn Growers Association/Kansas Grain Sorghum Producers Association), Craig Romary

(Nebraska Department of Agriculture), Mike Kucera (U.S. Department of Agriculture, Natural Resource Conservation Service - Nebraska State Office), Dan Devlin (Kansas State University - Department of Agronomy), Scott Josiah (University of Nebraska at Lincoln - Cooperative Extension Service), Steve Walker (Nebraska Department of Environmental Quality), Jack Dutra (J.D. Environmental Services representing Syngenta), and Phil Barnes (Kansas State University - Department of Biological and Agricultural Engineering). Tom Franti (University of Nebraska - Cooperative Extension Service), an active participant in water quality committee activities, was on sabbatical in Helsinki, Finland and was unable to attend this year's meeting. Specific topics covered during the meeting are shown on the attached copy of the meeting agenda. Information presented and discussions held are captured as a part of the following program updates.

Water Quality Monitoring Program: The basin wide water quality monitoring system became operational in mid-April of 1997 and monitoring has continued to present. Water samples have been regularly collected at 22 locations throughout the basin and analyzed for atrazine, alachlor, metolachlor, acetochlor, nutrient and bacterial levels. Much of the financial support has been provided by grant funds from EPA Region VII directed through the Nebraska Department of Environmental Quality. Syngenta has also provided substantial funding support and much of the water quality monitoring equipment (i.e. automatic samplers) utilized in the monitoring system. NDEQ advises that there are funds (\$136,000) available which will allow us to continue the monitoring program for two more years.

We now have five years worth of data for the basin and have decided to add four additional monitoring sites (1 Kansas/3 Nebraska) in some of the upper tributaries to allow better targeting of loading areas. New sites to be added will be located in Upper Horseshoe Creek, Lower Horseshoe Creek, Big Indian Creek and Turkey Creek. KSU will conduct all of the water sample collection and analysis for the basin during the next two year period under subcontract with NDEQ.

Two options have been discussed by the water quality committee concerning the future of the monitoring program and program funding. Option One would be to terminate sampling at the end of the two year period, then seek new funding and restart sampling five years following termination of the current program. Data comparisons could then be used to gauge changes in water quality that have occurred. Option Two is to seek funding for continued operation of the current monitoring program, leaving Option One as a default option. During our recent meeting in Beatrice, the general consensus was that it is generally easier to continue than stop and restart a monitoring program. The choice was to pursue Option Two (continued operations). EPA Region VII has advised that we have some of the best water quality information of any river basin in the country.

Consequently, we will start by approaching EPA about the possibility of obtaining financial support for continuing the program.

I thought I should bring to your attention one other point concerning financial support for water quality monitoring. Syngenta has been a significant contributor to our efforts because of their ties to atrazine herbicide and atrazine water quality protection efforts. The company has provided many dollars for both monitoring and BMP research. We greatly appreciate their help. However as atrazine impairments decrease and our efforts to address phosphorus, bacteria and other water quality impairments expand, Syngenta may find it difficult to justify continuing their current level of support. To this point the company has not signaled changes in direction, but it is a possibility I wanted to mention.

Status of TMDLs: Kansas has completed and submitted to EPA TMDLs for nine of the state's twelve river basins. TMDLs for the final three basins (Upper Republican, Solomon, Smokey Hill - Saline) will be submitted by June, 2003. When those are completed, the state will begin a second round to review TMDLs previously submitted and make adjustments or corrections as needed. The bulk of the TMDLs in Kansas relate to bacterial impairments.

The Nebraska Draft 2002 Section 303(d) List was public noticed in February for approximately 30 days with the review and comment period ending March 26, 2002. You will recall that the 303 (d) List identifies waters that are not attaining one or more of the identified beneficial use(s). For 2002, NDEQ changed the format of the list from a single category list to a five-part list that is intended to contain more comprehensive information on attainment status and NDEQs future intended actions. High priorities for development of TMDLs are the community-based lake watershed planning projects, and medium priorities are primary contact recreation-designated waters in the Middle, North and South Platte River Basins. Although some TMDLs will be developed by NDEQ for the Big and Little Blue Watersheds, these are generally of lower priority.

For the Big Blue River Basin as a whole, most TMDLs required will relate to coliform bacteria impairments. Atrazine and Alachlor TMDLs are required for Tuttle Creek Reservoir, and an Atrazine TMDL will be required for Swan Creek Lake. There remains a possibility that Atrazine TMDLs may be required to be developed for Cub Creek Lake, Turkey Creek and a portion of the Big Blue River, depending upon future monitoring readings. Some information remains to be collected before NDEQ can adequately characterize the need for TMDLs in those areas.

It should be mentioned that EPA is currently working toward establishment of nutrient and sediment standards. Both could impact portions of the Big Blue River Basin.

Education, Research and Incentive Programs: A broad range of educational, research and general agricultural water quality stewardship activities are underway in the basin. The educational and research efforts are being led by UNL and KSU who are closely coordinating their efforts. The bulk of the buffer projects and other stewardship incentive efforts are largely conducted through programs administered by USDA - NRCS and FSA, Kansas SCC, NDA and Nebraska NRDs. State environmental agencies also contribute Sec. 319 funds to development of demonstration sites. Although prevention of water contamination by soil applied herbicides, particularly atrazine, remains an important component of the educational and research programs, some of the focus is now shifting toward addressing bacteria, nutrient and sediment levels in the river. Rather than attempting to catalog the many activities, I would like to highlight certain of the present efforts.

KSU and UNL continue research at the Integrated Agricultural Management Systems Sites as well as conducting outreach, producer attitudinal surveys and adoption rate studies in various watersheds. The primary emphasis of studies at the IAMS sites is the relationship of farm management practices to losses of atrazine, nitrogen and phosphorus.

KSU has been actively working with dairy producers in the Black Vermillion Watershed on proper management of manure and other wastes. At this point, 23 of 32 dairies in the watersheds have completed waste management systems in place. Phil Barnes advises that water samples from the watershed are showing significant reductions in bacterial levels. KSU has also assigned one of the six watershed specialists to the Big Blue River Basin. His initial focus will be work with livestock producers.

The Nebraska Buffer Strip Program continues to generate much interest from landowners. Rich Reiman (NDA) advises that more applications continue to be received than can be funded. NDA is currently using the NE Unified Watershed Assessment as part of the selection criteria to target funding. Interest in the Kansas buffer programs has also increased. In Kansas, the State Conservation Commission is currently enrolling landowners in a riparian buffer/stream bed rehabilitation project on the Washington County portion of the Little Blue River. Tree planting is also underway. The project is rapidly becoming one of the largest of it's kind in the U.S. which is surprising since tree buffers are typically a hard sell in both Kansas and Nebraska.

UNL in cooperation with the USDA Agroforestry Center and The National Arbor Day Foundation has also embarked on an innovative effort to enhance the economic value of riparian forest buffers and hard to farm small land parcels through the production and marketing of specialty forest products. The idea is to provide supplemental value and income to property owners, while also improving the environment. UNL has also created a county by county directory of the best buffer sites in the Blue River Basin which can be used by individuals or groups wishing to view buffer design and impact.

USDA - NRCS (NE) has conducted a draft GIS assessment of atrazine runoff risk, nitrate leaching, soil erosion and other assessments of HUA's in the Nebraska portion of the Little Blue River basin. The analysis utilized various GIS layers including soils, cropping, slopes and other data available in the basin. GIS maps define the HUA's with the highest potential risk in each of the assessment categories. The resulting highest risk areas for atrazine appear to closely correlate with our water quality monitoring program data. NRCS is looking into the possibility of doing similar mapping for the rest of the Blue basin. This draft has been presented to the Little Blue NRD and is under consideration at this time. This type of assessment could be used to target activities and set priorities for targeted program funding.

Craig Romary (NDA) and Dale Lambley (KDA) have begun an effort to compile data on the number and acreage of conservation tillage, buffers and other water quality BMPs which have been put into place in the basin. The purpose of the effort is to see if relationships can be seen between BMP implementation and water quality. Assessing success is one of the most difficult aspects of most conservation and environmental programs, but it is something which we feel must be done.

Respectfully Submitted,

Dale Lambley, Chair
Water Quality Committee

AGENDA

Big Blue River Compact Water Quality Committee Meeting

May 2, 2002
9:30 a.m. to 2:15 p.m.

I.	Introductions and Opening Comments	Dale Lambley	10 minutes
II.	Review of Big Blue River Basin Water Quality Monitoring Program and Future Monitoring Plans	Phil Barnes (KSU) and Steve Walker (NDEQ)	30 minutes
III.	Status of Clean Water Act TMDL Activities		
	Kansas Status:	Tom Stiles (KDHE)	15 minutes
	Nebraska Status:	Pat Rice/Annette Kovar or Steve Walker	15 minutes
IV.	Update on Educational and Research Efforts	Dan Devlin (KSU) Scott Josiah (UNL)	25 minutes 25 minutes
	11:30 a.m. to 12:45 p.m.	LUNCH	
V.	Other reports	All Participants	30 minutes
VI.	Are we making progress? (An Assessment Effort)	Craig Romary (NDA) and Dale Lambley (KDA)	30 minutes
VII.	Pesticide Update	Craig Romary (NDA) and Dale Lambley (KDA)	15 minutes
VIII.	Goals and thoughts for the future	All Participants	15 minutes

KANSAS-NEBRASKA BIG BLUE RIVER COMPACT

After ten years of extensive negotiations, the Big Blue River Compact was established on January 25, 1971, when Keith S. Krause, representing the State of Kansas, and Dan S. Jones, Jr., representing the State of Nebraska, signed the Compact with the approval of Elmo W. McClendon, representing the United States. The Compact expressly provides that:

"...the major purposes of this Compact concerning the waters of the Big Blue River and its tributaries are:

- A. To promote interstate comity ...
- B. To achieve an equitable apportionment of the waters of the Big Blue River Basin ... and
- C. To encourage continuation of the active pollution-abatement programs in each of the two States and to seek further reduction in ... pollution of the waters of the Big Blue River Basin."

As with most interstate compacts, the Big Blue Compact is administered by an interstate body which, in this case, is known as the "Kansas-Nebraska Big Blue River Compact Administration." The Administration meets annually and consists of two members from each state, an ex-officio member and an advisory member. The ex-officio members are the respective state officials in charge of water rights administration in their states, and the advisory members can be any resident of the Basin in their respective states. In addition, there is one federal representative appointed by the President who serves as Chairman of the Administration, but who cannot vote. Currently, the members of the Administration are David Pope (ex officio) and Terry Blaser (advisory) representing Kansas, Roger Patterson (ex officio) and Kenneth Regier (advisory) representing Nebraska, and Clayton Lukow as the federal representative. Only the ex-officio members can vote on actions taken under the Compact, and all actions must be approved by both members. To assist the Administration in its affairs, four committees have been established: a Budget Committee, an Engineering Committee, a Water Quality Committee, and a Legal Committee.

Like most compacts concerning interstate streams, the main purpose of the Big Blue Compact is to apportion the waters of the basin between the states that share the stream. The Blue Basin Compact is essentially a "delivery" compact, which means that Nebraska must deliver a certain amount, or continuous flow, of water to Kansas. In essence, the apportionment provides that all water rights in Nebraska that were valid as of November 1, 1968, are senior to any Kansas water right regardless of date. After these pre-1968 water rights have been met, Nebraska agrees to maintain certain minimum streamflows at the state line in both the Little Blue and Big Blue Rivers. Those minimum streamflows vary during the irrigation season, but range from 45 to 90 cubic feet per second for each river. If those minimum streamflows are not being met, Nebraska must (1) limit diversions by natural flow appropriators to their decreed appropriations; (2) close those natural flow appropriators, in accordance with the doctrine of priority, with priority dates subsequent to November 1, 1968; (3) ensure that no illegal diversions are taking place; and (4) regulate wells installed after November 1, 1968, within the alluvium and valley side terrace deposits downstream of Walnut Creek on the Little Blue and Turkey Creek on the Big Blue, unless it is determined by the Administration that such regulation would not yield any measurable increase in flows at the state-line gaging stations. In addition to the minimum flow requirements, Nebraska cannot store more than 200,000 acre feet in the Little Blue Basin and 500,000 acre feet in the Big Blue Basin. The storage limitations do not apply to small reservoir projects of 200 acre feet or less, flood retention structures, or storage necessary to accomplish low-flow augmentation for water quality, fish and wildlife, or recreation. Under the Compact, Kansas has the right to free and unrestricted use of all water flowing into Kansas and all waters originating in that state. Both states have the exclusive, unrestricted use of any water that they import into the basin but, if either state exports water from the basin, those exports must be stopped when flows at the state line fall below the required minimum.

Unique to the Big Blue River Compact is a section regarding water quality. The Compact provides that the states agree to cooperate in investigating, preventing and controlling pollution of water in the Basin. Under the Compact, the respective states do not have water quality enforcement ability against each other through the Compact

Commission, and therefore agree only that the appropriate agencies from each state will cooperate in managing water quality.

Although not expressly provided for in the Compact, releases from federal reservoirs to correct water quality problems are anticipated. If the water quality problem arises in Nebraska, any additional water that crosses the state line because of a federal reservoir release counts as part of the minimum required flows. If the water quality problem arises in Kansas, the additional flows are in addition to the state line requirements. The Water Quality Committee is currently undertaking a basinwide monitoring program, surveying pesticide and nutrient use on farms, conducting water quality education programs and developing best management practices for the basin.

Exhibit T

NEWS RELEASE

Nebraska Department of Natural Resources

301 Centennial Mall South - P.O. Box 94676 - Lincoln, Nebraska 68509-4676 - (402) 471-2363

RELEASE DATE: May 17, 2002

FOR MORE INFORMATION CONTACT: Clayton Lukow, (402) 756-5292
or see attachment

Big Blue River Basin Compact Meeting Held in Beatrice, Nebraska

The Kansas-Nebraska Big Blue River Compact Administration held its annual meeting at the office of the Lower Big Blue Natural Resources District in Beatrice, Nebraska on May 16, 2002. The Chairman of the Compact Administration, Clayton Lukow of Holstein, Nebraska, represents the federal government. The Kansas representative is David Pope, Director of the Kansas Division of Water Resources; the Nebraska representative is Roger Patterson, Director of the Nebraska Department of Natural Resources.

The focus of the Compact is to fairly allocate the waters of the Big and Little Blue Rivers between Kansas and Nebraska and to secure cooperation by those states in the investigation, control and, preferably, the prevention of water quality degradation in the basin. The cooperation regarding water quality issues involves entities from each state that do not have a seat on the Compact Administration. In Nebraska, that includes the Department of Environmental Quality, the Department of Agriculture, and the three natural resources districts in the basin. In Kansas, the Department of Health and Environment and the Department of Agriculture are the principal entities responsible for water quality. The Compact Administration also is ably assisted by four committees--a Budget Committee, an Engineering Committee, a Water Quality Committee and a Legal Committee.

Chairman Lukow expressed his gratitude for the professionalism by all participants with responsibilities to the Compact Administration. Mr. Lukow stated: "In this era of water litigation in nearly all the Western States with the concurrent expenditures of millions of dollars of public monies, it is indeed refreshing to participate in the Blue River Compact where the focus is on cooperatively solving problems and not on the exacerbation of differences to the point that courts must be the final arbitrator." Lukow continued: "I can assure the citizens of both Kansas and Nebraska they are being well served by those who administer the Big Blue River Compact."

**KANSAS-NEBRASKA BIG BLUE RIVER COMPACT ADMINISTRATION
TREASURER'S REPORT
FISCAL YEAR 2002**

Balance on hand July 1, 2001: \$15,213.95

Receipts during fiscal year 2001:

State of Nebraska	\$ 8,000.00	
State of Kansas	\$ 8,000.00	
Interest Earned	\$ 119.25	
Total receipts	\$16,119.25	<u>\$16,119.25</u>

Total funds available:

\$31,333.20

Disbursement by the Administration July 1, 2001 to June 30, 2002:

<u>Date</u>	<u>Voucher No.</u>	<u>Payee and Purpose</u>	<u>Amount</u>
7-5-01	303	Brier Payne Meade Insurance (Bond)	\$ 100.00
10-31-01	304	U S Geological Survey	2,800.00
1-23-02	305	Kennedy & Coe (Audit)	500.00
1-23-02	306	U S Geological Survey	4,200.00
3-5-02	307	Pam Bonebright (Postage & Supplies)	67.37
4-9-02	308	Lower Big Blue NRD	1,110.00
4-19-02	309	U S Geological Survey	2,900.00
5-10-02	310	Nebraska Dept. of Natural Resources (Printing)	88.76
5-21-02	311	Pam Bonebright (Honorarium)	750.00
5-21-02	312	Denise Rolfs (Honorarium)	750.00
5-23-02	313	Pam Bonebright (Travel)	85.13
6-11-02	314	Denise Rolfs (Travel)	6.04
6-24-02	315	U S Geological Survey	<u>2,900.00</u>

Total disbursements

\$16,257.30

Funds available in Fiscal Year 2002:

\$31,333.20

Disbursements:

16,257.30

Balance on hand June 30, 2002:

\$15,075.90

Expenditures	BIG BLUE RIVER COMPACT BUDGET ANALYSIS MAY 2002							
	FY 2001 Actual	FY 2001 Adopted May-00	FY 2002 To Date	FY 2002 Adopted May-01	FY 2003 Proposed	FY 2003 Adopted May-02	FY 2004 Proposed	
Operations	\$11,090.00	\$11,090.00	\$11,500.00	\$11,500.00	\$11,960.00	\$11,960.00	\$12,650.00	
Statewide Gages	\$1,110.00	\$1,140.00	\$1,100.00	\$1,140.00	\$1,140.00	\$1,140.00	\$1,480.00	
Observation Wells	\$1,250.00	\$1,250.00	\$1,300.00	\$1,300.00	\$0.00	\$0.00	\$0.00	
Low-flow Measurements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Water Quality Committee	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	
Fidelity Bond	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	
Secretary Honorarium	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	
Treasurer Honorarium	\$116.82	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	
Staff Travel Expenses	\$94.87	\$200.00	\$88.76	\$200.00	\$200.00	\$200.00	\$200.00	
Annual report	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	
Annual Audit	\$59.81	\$100.00	\$67.37	\$100.00	\$100.00	\$100.00	\$100.00	
Postage and Office Supplies	\$0.00	\$100.00	\$0.00	\$100.00	\$100.00	\$100.00	\$100.00	
Miscellaneous Expenses	\$15,821.50	\$16,180.00	\$16,356.13	\$16,640.00	\$15,800.00	\$15,800.00	\$16,830.00	
Total Expenses								
INCOME & CARRY OVER								
Assessments (Both States)	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	
Interest earned	\$228.60	\$400.00	\$120.01	\$400.00	\$400.00	\$400.00	\$400.00	
Carry Over from Prior Year	\$14,806.85	\$14,649.92	\$15,213.95	\$14,913.64	\$14,673.64	\$14,977.83	\$15,577.83	
Total Income and Carry Over	\$31,035.45	\$31,049.92	\$31,333.96	\$31,313.64	\$31,073.64	\$31,377.83	\$31,977.83	
Balance End of Year	\$15,213.95	\$14,869.92	\$14,977.83	\$14,673.64	\$15,273.64	\$15,577.83	\$15,147.83	

**KANSAS - NEBRASKA BIG BLUE RIVER
COMPACT ADMINISTRATION**
Topeka, Kansas

**KANSAS - NEBRASKA BIG BLUE RIVER
COMPACT ADMINISTRATION**
Topeka, Kansas

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORTS**
June 30, 2002

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KENNEDY AND COE, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Chairman
Kansas - Nebraska Big Blue River Compact Administration

We have audited the accompanying statement of financial position of the Kansas - Nebraska Big Blue River Compact Administration, as of June 30, 2002, and the related statements of activities, cash flows, and revenues and expenses compared to budget for the year then ended. These financial statements are the responsibility of the Administration's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Kansas - Nebraska Big Blue River Compact Administration as of June 30, 2002, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Respectfully submitted,

Kennedy and Coe, LLC
Kennedy and Coe, LLC

Topeka, Kansas
January 17, 2003

**KANSAS - NEBRASKA BIG BLUE RIVER
COMPACT ADMINISTRATION**
Topeka, Kansas

Exhibit A

Statement of Financial Position
June 30, 2002

Assets	
Cash in bank	<u>\$ 15,076</u>
Liabilities and Net Assets	
Net assets - unrestricted	<u>\$ 15,076</u>
Total liabilities and net assets	<u>\$ 15,076</u>

**KANSAS - NEBRASKA BIG BLUE RIVER
COMPACT ADMINISTRATION**
Topeka, Kansas

Exhibit B

Statement of Activities
Year Ended June 30, 2002

Unrestricted Net Assets	
Revenues:	
Kansas contribution	\$ 8,000
Nebraska contribution	8,000
Interest	119
Total revenues	<u>16,119</u>
Expenses:	
Surface and ground water investigations	13,910
Staff travel	91
Auditing and accounting services	500
Printing annual report	89
Fidelity bond	100
Secretary - Treasurer services	1,500
Office supplies and postage	67
Total expenses	<u>16,257</u>
Increase (decrease) in unrestricted net assets	(138)
Net assets, beginning of year	15,214
Net assets, end of year	<u>\$ 15,076</u>

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The accompanying notes are an integral part of these financial statements.

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**KANSAS - NEBRASKA BIG BLUE RIVER
COMPACT ADMINISTRATION**
Topeka, Kansas

Exhibit C

Statement of Cash Flows
Year Ended June 30, 2002

Cash flows from operating activities:	
Increase (decrease) in net assets	\$ (138)
Net cash (used) by operating activities	<u>(138)</u>
Cash flows from investing activities	-
Cash flows from financing activities	-
Net (decrease) in cash	<u>(138)</u>
Cash, beginning of year	15,214
Cash, end of year	<u>\$ 15,076</u>

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The accompanying notes are an integral part of these financial statements.

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**KANSAS - NEBRASKA BIG BLUE RIVER
COMPACT ADMINISTRATION**
Topeka, Kansas

Statement of Revenues and Expenses Compared to Budget
Year Ended June 30, 2002

Exhibit D

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Kansas contributions	\$ 8,000	\$ 8,000	\$ -
Nebraska contributions	8,000	8,000	-
Interest	400	119	(281)
Total revenues	16,400	16,119	(281)
Expenses:			
Surface and ground water investigations	13,940	13,910	30
Staff travel	200	91	109
Auditing and accounting services	500	500	-
Printing annual report	200	89	111
Fidelity bond	100	100	-
Secretary - Treasurer services	1,500	1,500	-
Office supplies and postage	100	67	33
Miscellaneous	100	-	100
Total expenses	16,640	16,257	383
Excess (deficit) of revenues over expenses	\$ (240)	\$ (138)	\$ 102

**KANSAS - NEBRASKA BIG BLUE RIVER
COMPACT ADMINISTRATION**
Topeka, Kansas

Notes to Financial Statements
Year Ended June 30, 2002

Note A - Summary of Significant Accounting Policies

The Kansas - Nebraska Big Blue River Compact Administration (the Administration) is an interstate administrative agency established, upon adoption of rules and regulations pursuant to Article III (3,4) of the Kansas - Nebraska Big Blue River Compact on April 24, 1973, to administer the Compact.

The following is a summary of the more significant policies:

1) Basis of Accounting

The financial statements have been prepared on the accrual basis financial accounting in accordance with U.S. generally accepted accounting principles. All activities of the Administration are classified as unrestricted for financial reporting purposes.

2) Function

The major function of the Administration is to establish "such stream-gaging stations, ground water observation wells, and other data-collection facilities as are necessary for administering the compact".

The purpose of the compact is to:

- A) Promote interstate comity between the States of Nebraska and Kansas.
- B) To achieve equitable apportionment of the waters of the Big Blue River Basin between the two states and to promote orderly development thereof.
- C) To encourage continuation of the active pollution-abatement programs of the waters of the Big Blue River Basin.

3) Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles may require the management to make estimates and assumptions that affect certain reported amounts and disclosures.