

Exhibit A

ORDER

BEFORE THE TRI-BASIN NATURAL RESOURCES DISTRICT
BOARD OF DIRECTORS

In the matter of adopting rules and regulations for the establishment of the Integrated Water Management Area (IWMA) and the Districtwide Quantity Groundwater Management Area (QGMA) of the Tri-Basin Natural Resources District (Tri-Basin NRD, or NRD).

THE BOARD FINDS THAT:

1. Ground water levels have declined in a majority of observation wells in the district over the last three years.
2. Groundwater and surface water measurements made throughout the district indicate that groundwater and surface water resources within the district are inter-connected.
3. Groundwater levels within the district need to be maintained at or above average water levels for the years 1981-1985 to protect existing groundwater supplies within the district.
4. Groundwater levels within the district need to be maintained at or above average water levels for the years 1981-1985 to maintain streamflows in Republican River tributaries that originate within the district as a key objective of a Joint Action Plan with the Nebraska Department of Natural Resources for management of integrated water resources within the Republican River Basin.

IT IS CONCLUDED THAT:

1. The Board of Directors, in order to effectively enforce the Nebraska Groundwater Management and Protection Act, to protect existing groundwater supplies from depletion and to carry out the objectives of a Joint Action Plan for the Republican River Basin, find that it is necessary to designate the entire district as a Phase I Quantity Groundwater Management Area (QGMA).
2. The Board of Directors, in order to effectively enforce the Nebraska Groundwater Management and Protection Act, to conserve integrated groundwater and surface water resources within the district, and to carry out the objectives of a Joint Action Plan for the Republican River Basin, find that it is necessary to designate those portions of the district within the Republican River Basin and those portions of the district within the Platte River Basin west of US Highway 183 as an Integrated Water Management Area (IWMA).

IT IS HEREBY ORDERED:

1. The Tri-Basin NRD districtwide QGMA and the IWMA shall be established and the rules regulating these management areas shall become effective on September 15, 2004 with such controls as are listed below.

**Controls for the Districtwide Quantity Groundwater Management Area
and the Integrated Water Management Area**

Groundwater Quantity Management (three stages or phases)

Phase I rules are intended to protect existing groundwater supplies. They will apply to all landowners within Tri-Basin NRD.

The NRD will certify all irrigated acres listed on property tax rolls within the district. Land irrigated for the first time in 2004 will also be certified, as long as landowners can provide independent confirmation, such as FSA certification, indicating that a crop was irrigated during the 2004 growing season.

- Flowmeters will be required on all new wells. Landowners will need to report water use from new wells annually to the NRD.
- New wells capable of pumping more than 1000 gallons per minute can be drilled only if they are more than 1/4 mile from all existing wells. New wells capable of pumping more than 1500 gallons per minute can be drilled only if they are more than 1/2 mile from all existing wells.
- Landowners will need to get permits from the NRD before they drill new wells, drill replacement wells or pump groundwater off overlying land.

Phase II rules will apply only to areas where a three-year rolling average of groundwater levels is lower than average groundwater levels in 1981-85.

- No additional irrigated acres can be developed after a phase II area is designated unless an equal number of certified (existing) irrigated acres are converted to a non-irrigated land use.
- Flowmeters will be required on all wells in Phase II areas.
- Board approval will be required for all well permits in Phase II areas that involve re-locating certified irrigated acres.
- Landowners must operate wells in Phase II areas at least once every five years, or they will need to be decommissioned or registered as inactive with the NE Department of Natural Resources.

Phase III rules would go into effect in any area where Phase II rules have not led to recovery of groundwater supplies after five years.

- All non-domestic water uses in Phase III areas will be allocated no more than 48" per acre over three years.

Integrated Management rules are intended to protect streams and rivers from depletion due to additional groundwater consumption. These rules will initially be applied in the Republican Basin and in the Platte Basin west of US Highway 183.

- No additional irrigated acres can be developed after September 15, 2004 within the integrated management area unless an equal number of certified (existing) irrigated acres are converted to a non-irrigated land use.

A full text of all controls adopted may be obtained at the Tri-Basin NRD office at 1308 2nd Street, Holdrege, Nebraska. Copies can also be obtained by calling the NRD office (toll-free) at (877) 995-6688 or by visiting the Tri-Basin NRD website www.tribasinnr.org.

Quantity Groundwater Management Area Designation and Delineation

The districtwide QGMA is delineated to include all lands within the political boundaries of Tri-Basin NRD. This area includes all lands within the counties of Gosper, Phelps and Kearney.

Integrated Water Management Area Designation and Delineation

The legal descriptions for the Integrated Water Management Area are listed below. This management area includes all land within the Republican River Basin and that portion of the Platte River Basin west of US Highway 183. This management area includes the communities of Elwood, Smithfield, Bertrand, Loomis, Atlanta, Holdrege, Wilcox and Keene. The extent of the Integrated Water Management Area is delineated below by county, then by township and then by section and sub-section (where necessary).

Gosper County

All lands within the political boundaries of the County of Gosper.

Phelps County

All lands within the political boundaries of Townships 5N-17W (Lake), 5N-18W (Prairie), 5N-19W (Industry), 5N-20W (Rock Falls), 6N-19W (Laird), 6N-20W (Union), 7N-19W (Westmark), 7N-20W (Garfield) 8N-18W (Sections 17, 18, 19, 20, 29, 30, 31 and 32 only) and 8N-19W (Williamsburg) and 8N-20W (Westside). Certain listed sections or portions of sections within the political boundaries of the following townships: 6N-17W (Divide) Sections 24 (that portion south of Phelps County Canal only), 25, 27 (SW ¼ only), 30 (Lots 1, 8, 9, 10, 15, 16 only), 31 (Lots 1, 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and the SE ¼ only), 32 (NE ¼ and SE ¼ only), 33, 34, 35, 36, 6N-18W (Sheridan) Sections 5, 6, 7, 8, 9 (NW ¼, SW ¼, SE ¼ only), 10 (SW ¼ only), 15 (SW ¼, NW ¼ only), 16, 17, 18, 19, 20, 21, 22 (SW ¼, NW ¼ only), 25 (NE ¼, SW ¼, SE ¼ only), 26 (SE ¼, NW ¼, SW ¼ only), 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 7N-18W (Center) 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31, 32.

Kearney County

All lands within the political boundaries of Township 5N-16W (Oneida). Certain listed sections or portions of sections within the political boundaries of the following townships: 5N-14W (Cosmo) Sections 19 (SE ¼ only), 30, 31, 32 (SW ¼, NW ¼ only), 5N-15W (Sherman) Sections 6 (SE ¼ and SW ¼ only), 7, 8, 9, 13 (SW ¼ only), 14 (NW ¼, SW ¼ and SE ¼ only), 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 (NW ¼, SW ¼ and SE ¼ only), 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 6N-16W (Mirage) Sections 19 (SE ¼, SW ¼ only), 26 (SE ¼, SW ¼ only), 27 (SE ¼ only), 29 (SW ¼ only), 30, 31, 32, 33 (NW ¼, SW ¼ and SE ¼ only), 34, 35, 36 (SW ¼ only).

Quantity Groundwater Management Area Stratigraphic Extent

The QGMA will include all geologic strata within the management area boundaries listed above, beginning with soils

and sediments at the ground surface downward through all aquifer units supplying potable water. These aquifer units include the Quaternary Grand Island formation and the Tertiary Ogallala formation defined by the Conservation and Survey Division of the University of Nebraska-Lincoln (CSD-UNL).

Integrated Water Management Area Stratigraphic Extent

The IWMA will include all geologic strata within the management area boundaries listed above that are believed to contribute to streamflows or receive water from canals, streams, wetlands or other surface water bodies, beginning with soils and sediments at the ground surface downward through all aquifer units supplying potable water. These aquifer units include the Quaternary Grand Island formation and the Tertiary Ogallala formation defined by the CSD-UNL.

Pursuant to the majority vote of the Tri-Basin NRD Board of Directors on July 13, 2004, the rules and regulations establishing the districtwide Quantity Groundwater Management Area and the Integrated Water Management Area shall become effective September 15, 2004.

For the Tri-Basin Natural Resources District

Bradley Lundeen, Chairman
Tuesday, July 13, 2004