

Kansas v. Nebraska & Colorado
No. 126, Orig., U.S. Supreme Court
Decree of May 29, 2003, 538 U.S. 720.

Non-Binding Arbitration Initiated by Joint Notice of October 21, 2008

State of Kansas, Plaintiff,

v.

State of Nebraska, Defendant,

State of Colorado, State with an Actual Interest

Notice by Kansas Pursuant to Final Settlement Stipulation §VII.B.6

On June 30, 2009, Arbitrator Karl J. Dreher issued his Arbitrator's Final Decision (Final Decision) in the Non-Binding Arbitration initiated by Joint Notice of October 21, 2008, pursuant to the U.S. Supreme Court Decree in *Kansas v. Nebraska & Colorado*, 538 U.S. 720 (2003). The Final Settlement Stipulation (FSS), approved by the United States Supreme Court on May 19, 2003 in its Decree in *Kansas v. Nebraska & Colorado*, 538 U.S. 720 (2003), provides for the final step in the dispute resolution process in §VII.B.6 as follows:

Within 30 days of the issuance of the arbitrator's decision, the States that are parties to the dispute shall give written notice to the other States and the United States as to whether they will accept, accept and reject in part, or reject the arbitrator's decision.

In satisfaction of FSS §VII.B.6, Kansas hereby gives notice with respect to the twelve recommendations made by the Arbitrator on pages 71-72 of his Final Decision, but does so without waiving any position that Kansas has taken,

and without accepting or rejecting specific Findings or Conclusions in the Final Decision:

1. Kansas accepts Recommendation No. 1 to the extent that it is consistent with Kansas' previously stated positions. Kansas rejects the remainder of Recommendation No. 1.

2. Kansas accepts the part of Recommendation No. 2 that states, "Nebraska's proposed changes to the Accounting Procedures to calculate $CBCU_C$, $CBCU_K$, $CBCU_N$, and IWS, should not be adopted." Kansas rejects the remainder of Recommendation No. 2.

3. Kansas accepts Recommendation No. 3.

4. Kansas accepts Recommendation No. 4.

5. Kansas accepts the first sentence of Recommendation No. 5. Kansas rejects the remainder of Recommendation No. 5.

6. Kansas accepts Recommendation No. 6 to the extent that it is consistent with Kansas' previously stated positions. Kansas rejects the remainder of Recommendation No. 6.

7. Kansas rejects Recommendation No. 7 to the extent that it is inconsistent with Kansas' previously stated positions. Kansas accepts the remainder of Recommendation No. 7.

8. Kansas accepts the first sentence of Recommendation No. 8. Kansas accepts the second sentence of Recommendation No. 8. to the extent that it is consistent with Kansas' previously stated positions. Kansas rejects the remainder of the second sentence of Recommendation No. 8.

9. Kansas rejects the first sentence of Recommendation No. 9. Kansas accepts the second sentence to the extent that it is consistent with Kansas' previously stated positions. Kansas rejects the remainder of the second sentence of Recommendation No. 9.

10. Kansas rejects Recommendation No. 10 to the extent that it is inconsistent with Kansas' previously stated positions. Kansas accepts the remainder of Recommendation No. 10.

11. Kansas accepts Recommendation No. 11.

12. Kansas rejects Recommendation No. 12 to the extent that it is inconsistent with Kansas' previously stated positions. Kansas accepts the remainder of Recommendation No. 12.

Notwithstanding the foregoing, Kansas rejects footnote 275 on page 71 of the Final Decision.

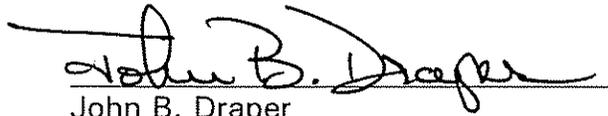
The Final Decision incorporates by reference the *Arbitrator's Final Decision on Legal Issues*, dated January 22, 2009. In satisfaction of FSS § VII.B.6, Kansas hereby gives notice with respect to the *Arbitrator's Final Decision on Legal Issues*, dated January 22, 2009:

1. Kansas rejects the Arbitrator's decision on Legal Question No. 1.
2. Kansas accepts the Arbitrator's decision on Legal Question No. 2.
3. Kansas accepts the Arbitrator's decision on Legal Question No. 3 to the extent that it is consistent with Kansas' previously stated positions. Kansas rejects the remainder of the Arbitrator's decision on Legal Question No. 3.
4. Kansas rejects the Arbitrator's decision on Legal Question No. 4.
5. Kansas accepts the Arbitrator's decision on Legal Question No. 5.
6. Kansas accepts the Arbitrator's decision on Legal Question No. 6 to the extent that it is consistent with Kansas' previously stated positions. Kansas rejects the remainder of the Arbitrator's decision on Legal Question No. 6.
7. Kansas accepts the Arbitrator's decision on Legal Question No. 7.

By this Notice, Kansas satisfies its dispute resolution obligations under §VII of the Final Settlement Stipulation.

Respectfully submitted,

Steve Six
Attorney General of Kansas
Michael C. Leitch
Deputy Attorney General
Christopher M. Grunewald
Samuel Speed
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A handwritten signature in black ink, appearing to read "John B. Draper", written over a horizontal line.

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CERTIFICATE OF SERVICE

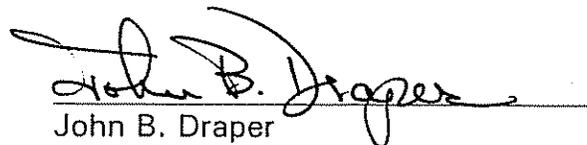
I, John B. Draper, hereby certify that on the 30th day of July, 2009, I caused to be transmitted by email and Federal Express, a copy of the foregoing Notice by Kansas Pursuant to Final Settlement Stipulation §VII.B.6, addressed to each of the following:

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(with copy of Arbitrator's Final Decision by Federal Express)


John B. Draper