

## REPUBLICAN RIVER WATER CONSERVATION DISTRICT COMPACT COMPLIANCE PIPELINE

**By Stan Murphy, General Manager**

The Board of Directors of the Republican River Water Conservation District (“RRWCD”) held its regular quarterly meeting on October 11, 2007, and the Board made it clear at the meeting that it considers a compact compliance pipeline project to be a very high priority due to the current status of Colorado’s compact compliance and the Compact Compliance Rules that have been proposed by the State Engineer. The RRWCD is currently having a feasibility study for a compact compliance pipeline project performed by GEI Consultants, Inc. GEI made a presentation on alternatives for a pipeline at the RRWCD Board meeting, and the RRWCD Board intends to coordinate efforts with water users in the District to select the best alternatives for the feasibility study.

The most cost-effective source of funding for a compliance pipeline project that the RRWCD has been able to identify is the Colorado Water Conservation Board (CWCB) Water Project Loan Program, which provides low-interest loans for projects such as a compact compliance pipeline. Kirk Russell and Bruce Johnson of the CWCB gave a presentation on the CWCB Water Project Loan Program at the RRWCD Board meeting. Loans are available for up to 90 percent of the total engineering and construction costs of the project for loan terms up to 30 years. The CWCB Water Project Loan Program is expected to have approximately \$40 million available for loans this year, with the likelihood that additional funds will be available for loans the following year. Loans for more than \$10 million must be approved by the Colorado legislature, and the CWCB requires a loan feasibility study as a prerequisite for a loan, which must include the technical, financial, and institutional feasibility of the project. The RRWCD Board is currently having a feasibility study for a compact compliance pipeline project performed pursuant to a \$50,000 grant from the CWCB in order to meet the CWCB’s requirements. The feasibility study is expected to be completed later this year. The RRWCD was created in 2004 to assist the State of Colorado to comply with the Republican River Compact, and the RRWCD Board has established a water activity enterprise and imposed use fees that generate revenues that could be used to repay a loan obtained through the CWCB Water Project Loan Program.

The Final Settlement Stipulation entered into by the States of Kansas, Nebraska, and Colorado in the U.S. Supreme Court case of *Kansas v. Nebraska and Colorado* allows the acquisition or construction of wells for the purpose of offsetting stream depletions in order to comply with Compact allocations, provided that such wells do not cause any new net depletion to stream flow either annually or long-term. The Stipulation also provides that augmentation plans and related accounting procedures submitted under this provision of the Stipulation shall be approved by the Republican River Compact Administration (RRCA) prior to implementation. And, the Stipulation provides that augmentation credit for wells acquired or constructed for the purpose of offsetting stream depletions shall be calculated in accordance with RRCA Accounting Procedures and by using the RRCA Groundwater Model. A compact compliance pipeline will have to comply with these provisions of the Stipulation.

The RRWCD Board of Directors recognizes the need to implement a pipeline project to achieve compliance with the Compact as rapidly as possible and appreciates the support of water users in the District for a properly designed and constructed pipeline project that will achieve compact compliance. The RRWCD Board of Directors is moving forward with a compact compliance pipeline project as rapidly as possible. In doing so, the Board is willing to coordinate its efforts with water users; however, until the feasibility study has been completed, the Board cannot commit to a specific project or provide final estimates of the costs and methods to finance the project. The RRWCD Board hopes that the feasibility study currently being undertaken will allow the Board to do that.