

FOR IMMEDIATE RELEASE

June 26, 2009

The Republican River Water Conservation District Water Activity Enterprise completed the purchase of ground water rights for the Compact Compliance Pipeline on Friday, June 19, using funds provided from the Colorado Water Conservation Board's construction loan fund. The ground water rights will be leased back to the sellers until the water is needed for delivery through the pipeline. Although the Republican River Compact Administration has not approved a plan for augmentation and accounting procedures for the pipeline project yet, the RRWCD Board of Directors concluded that completing the purchase was prudent in light of the State of Colorado's current budget situation. The State of Colorado is currently in negotiations with the States of Kansas and Nebraska on terms and conditions for approval of deliveries of water to the North Fork of the Republican River to assist the State of Colorado with compact compliance. The RRWCD Board expects Colorado to propose a revised resolution to approve terms and conditions for the pipeline project at the annual RRCA meeting in Lincoln, Nebraska, on August 11 and 12. If the Kansas and Nebraska members do not approve the revised resolution, the State of Colorado is expected to seek arbitration under the provisions of the Final Settlement Stipulation between the States. Even with the delay in obtaining RRCA approval, construction of the pipeline could begin in 2010 with deliveries beginning in 2011.