

Update on Current RRWCD Issues

At a recent special meeting of the board of directors of the Republican River Water Conservation District (RRWCD) held in Wray on September 2nd, GEI Consultants, Inc., presented the 90% design completion for the Republican River Compact Compliance Pipeline, which included a computer generated fly-over of the pipeline alignment. The pipeline project will deliver groundwater to the North Fork of the Republican River near the Colorado/Nebraska state line from 8-15 wells located northeast of the town of Laird to help the State of Colorado comply with the Republican River Compact. Current estimates of the costs to construct the pipeline and for related costs, including collector pipelines, a storage tank, the outfall structure, and easements, remain under the \$21 million budgeted for these costs based on the feasibility study. The current schedule is for the pipeline project to begin delivery of water in September 2009.

The RRWCD, acting through its Water Activity Enterprise (Enterprise), has contracted to purchase water rights needed for the pipeline project, but has not completed the purchase yet. Prior to closing on the water rights, the Colorado Ground Water Commission must approve the change of use of the water rights to Republican Compact Compliance Wells and the Sandhills Ground Water Management District must approve the export of the groundwater outside the boundaries of the Management District.

In addition, the Republican River Compact Administration (RRCA) will need to approve a plan for augmentation and accounting procedures for the pipeline project in accordance with the 2002 Final Settlement Stipulation in Kansas v. Nebraska and Colorado. A plan for augmentation and proposed accounting procedures were submitted to the RRCA by the State of Colorado and the RRWCD in March, and the proposal was discussed at the RRCA meeting held in Kansas City on March 12th; however, Kansas has raised an issue about Compact Accounting. The Chief Engineer for Kansas has stated that even if the pipeline project brings Colorado into compliance with Colorado's statewide allocation, Colorado must still demonstrate that water derived from South Fork sub-basin does not impair Kansas' ability to use its allocation from the South Fork sub-basin. The State of Colorado disagrees with that interpretation. According to Kansas, Colorado is currently exceeding the sub-basin nonimpairment requirement for the South Fork sub-basin by approximately 2,500 acre-feet per year.

Representatives from the RRWCD Board of Directors have met with officials from the Colorado Department of Natural Resources, the Attorney General's Office, the Division of Wildlife, and the Division of Parks and Outdoor Recreation to discuss Kansas' position regarding the sub-basin nonimpairment requirement and to explain that water users throughout the Republican River basin have already committed all that can be expected to assist the State of Colorado to comply with the Compact through the pipeline project and that the State needs to address Kansas' position regarding the sub-basin nonimpairment requirement for the South Fork sub-basin. The RRWCD representatives have told the State that the Enterprise will not proceed with the pipeline project if irrigators in the South Fork sub-basin will be subject to curtailment if Kansas is correct about the sub-basin non-impairment requirement.

Although there are still approvals required for the pipeline project, the Enterprise did lease surface water rights in the North Fork drainage basin for the 2008 irrigation season. These water rights include most of the Laird Ditch water right and the water right owned by the Pioneer Irrigation District - Colorado. The lease of these water rights will result in a reduction of the consumptive use charged to Colorado in 2008 by approximately 2,800 acre-feet based on the consumptive use charged to Colorado from the use of these water rights in recent years, bringing Colorado closer to meeting its compact allocation. The RRWCD Board of Directors has also approved a 20-year lease of surface water rights in the North Fork drainage if voters of Yuma County approve a bond issue by the Yuma County Water Authority Public Improvement District to purchase the water rights for \$15 million.

Voters in Yuma County will decide at the November election if they will approve the bond issue to settle a lawsuit brought by surface water rights owners to redraw the boundaries of the Northern High Plains Designated Ground Water Basin. If the Basin boundaries were redrawn as requested by the surface owners, it could result in as many as 1,338 irrigation wells being shut down and could put commercial (e.g., feedlot) wells and the water supplies of Wray, Yuma, and Eckley at risk. If the bond issue passes, the Enterprise will lease the water rights for a 20-year period for an additional one-time payment to the owners of the surface water rights of \$5 million at the end of December 2008. If the Enterprise leases the water rights, the water will be left in the river to reduce Colorado's consumptive use in the compact accounting.

The RRWCD is currently seeking proposals for a \$5 million loan from banks within the basin to pay the lease payment in the event the bond issue passes. The Enterprise is also applying for a loan from the CWCB. Projected revenues from use fees are expected to be sufficient to pay off the \$5 million loan in the future, but the RRWCD Board of Directors does not want to increase use fees to pay the lease payment. Therefore, the \$5 million loan will not increase the use fee on the diversion of water for irrigation use above the \$14.50 per irrigated acre rate approved in January 2008; however, it could delay a future reduction of water use fees.

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