Republican River update

The October 2003 United States Supreme Court adoption of the Republican River Final Settlement Stipulation signaled a new era of water administration in the 24,900 square-mile watershed covering parts of northeastern Colorado, southwestern Nebraska, and northwestern Kansas.

The settlement permits each state to choose the actions it deems necessary to achieve compliance. Colorado Senate Bill 04-235 established a Republican River Water Conservation District in Phillips and Yuma counties, and those portions of Kit Carson, Lincoln, Logan, Sedgwick, and Washington counties within the basin. The legislation empowers the district to take such actions as are necessary to cooperate with and assist the state of Colorado to carry out the state's duty to comply with the compact.

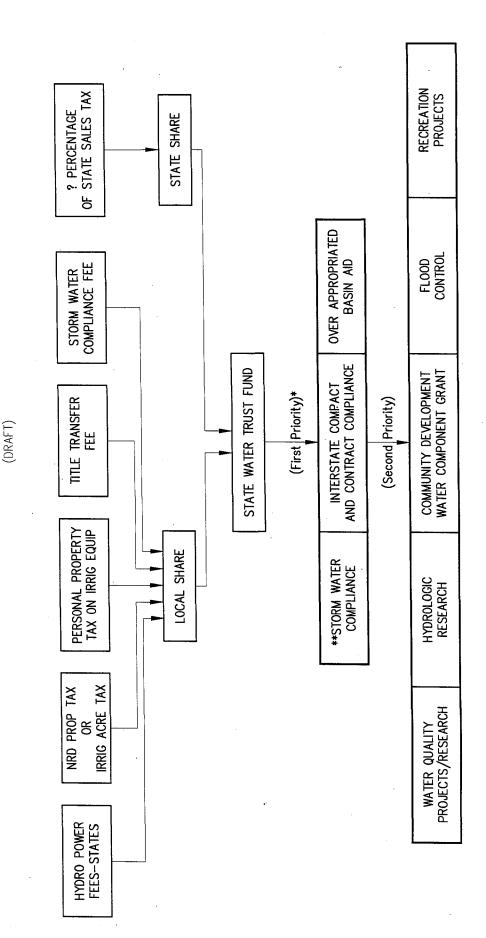
In attending approximately 30 district meetings, public meetings, and county fairs, DWR staff provided the newly appointed board with support throughout the latter half of 2004. State Engineer Hal Simpson and DWR staff have been working with Kansas and Nebraska at regular Republican River Compact Agreement meetings. The next annual meeting is scheduled for July, 2005.

At the end of 2004, the district hired Stan Murphy as its first General Manager and approved its 2005 fee structure (see Table), which will raise just less than \$3M. During 2005, the district will seek federal funds to match locally generated fees in

Water Use:	/ Jan/1,2005 Fee
Ground Water for Irrigation	\$5.50 / acre
Ground Water for Commercial or Municipal	\$4.40 / acre-foot
Post-Compact Surface Water	\$5.10 / acre-foot

beginning to retire some irrigated acres and to help Colorado work toward compact compliance. The district anticipates \$1M in EQIP funding and with state agencies is working on 2005 CREP and CIG applications.

2003, the first year of the first five-year moving average agreed to in the final settlement, found Colorado several thousand acre-feet out of compliance. While 2004 provided slightly more precipitation than 2003, the district is pursuing the aforementioned federal funds and other local measures in working toward compact compliance.



STATE WATER TRUST FUND

FOR

FLOW CHART

*If local matching funds are not available for first priority projects, state funds will then move to second priority projects where local matching is available.

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