STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

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Contract Executed for Purchase of Animas-La Plata Water

State of Colorado pays first installment, completing successful negotiation process.

This week the State of Colorado and the U.S. Bureau of Reclamation finalized a contract that allows the state to purchase of a portion of water from the Animas-La Plata (A-LP) Project in southwestern Colorado. This contract represents the completion of almost two years of intense negotiations, cooperation, and hard work on the part of Colorado Water Conservation Board staff and other stakeholders.

The Animas-La Plata Project was built to fulfill a water rights settlement between the federal government and two Indian tribes that live in southwestern Colorado: the Southern Ute Indian Tribe and the Ute Mountain Ute Tribe. But the project also has auxiliary benefits for other water users in the region as a much-needed municipal and industrial water source and reservoir for long-term storage in Lake Nighthorse. The state's allocation of 10,460 acre-feet will go a long way toward securing a water supply for water users in the southwestern portion of the state.

In 2010, the General Assembly authorized the expenditure of up to \$36 million towards the purchase of the State's 10,460 acre-feet allocation of A-LP project water. This Bill appropriated the first \$12 million installment, which was available on June 30, 2011. Subsequent legislation appropriated the remaining \$24 million, which will be available July 1, 2012. After the contract was signed and executed, the State made its first payment of \$12 million to the Bureau.

After July 1, 2012, the State will pay the final installment to the Bureau, retaining enough of the General Assembly's appropriation for future operation and maintenance costs. The

execution of the contract also grants membership to the State in the Animas-La Plata Operations, Maintenance and Replacement Association. Over the next few months, the State will work with other members of the Association to address issues such as engineering, modeling, water administration and protocol.

For more information or background on the Animas-La Plata project, visit <u>http://www.usbr.gov/uc/progact/animas/</u> or the CWCB website at <u>http://cwcb.state.co.us</u>.

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