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Media Contacts: Taylor Gage, Governor Ricketts, 402-471-1970 Jacque Montgomery, Governor Hickenlooper, 303-518-0915

Media Release:

Nebraska, Colorado State Officials Announce Republican River Settlement

LINCOLN – Today, the Governors and Attorneys General of Nebraska and Colorado announced their settlement of claims regarding Colorado's past use of water under the Republican River Compact. A new agreement between the states was signed by Governor John Hickenlooper of Colorado and Governor Pete Ricketts of Nebraska in recent weeks. The agreement builds upon the states' recent collaborative water management efforts and approval of detailed interstate Compact accounting procedures of water in the Republican River basin. While the States are currently in compliance with the terms of the Compact, this settlement resolves potential claims related to alleged past violations. The two-page settlement:

- Avoids any future litigation on these matters, by forever barring Nebraska from bringing claims against Colorado for violation of the Compact and the prior 2002 Final Settlement Stipulation for the accounting period ending on or prior to December 31, 2013; and,
- Subject to appropriation, provides a negotiated level of payment to the State of Nebraska; and,
- Establishes no precedent for water valuation in any of the States, including this river basin; and
- Requires payment by December 31, 2018.

Governor Hickenlooper commented that "the settlement provides funds that could be used in the Republican River Basin within Nebraska and creates additional opportunities for cooperative water management between the states."

Attorney General Cynthia Coffman of Colorado said the agreement "avoids the costs and uncertainty of litigation and furthers the principles of the Compact, including removing controversy, fostering interstate cooperation, and ensuring the most efficient use of water in the Republican River basin."

Governor Ricketts agreed that "Nebraska and Colorado can now continue to focus on providing their water users with greater certainty and to pursue other collaborative opportunities to benefit their shared economies."

Attorney General Doug Peterson of Nebraska also expressed his approval, stating that "this settlement is in the best interest of the State, and builds on our previous collaborative efforts."

The agreement resolves the existing controversies between the two states regarding Colorado's past use of water under the Republican River Compact and allows them to continue to work cooperatively.

BACKGROUND ON THE REPUBLICAN RIVER COMPACT

Governor Ricketts underscored the importance of these State-to-State collaborative efforts and the ongoing dialogue and water planning efforts between the State of Nebraska and the water users in this particular river basin. Through cooperation and targeted water resources investment, greater certainty, predictability, and stability for the overall economy has been brought to the over 1.1 million acres of irrigated land, just in

Nebraska. The agricultural economies of the three states' surface and groundwater users in this interstate river basin are tied together and can mutually benefit from the ongoing collaboration.

After signing the agreement, Governor Ricketts recommended that the Legislature invest the funds provided through this settlement in surface water resource conservation projects in the Republican River basin. Nebraska water users were affected by the reduced water supply allocated to the State, as a result of Colorado's past years of use. These water users should benefit from further investments. Since establishing their streamflow augmentation project and other measures, Colorado has been in full compliance with the Compact since 2015.

Governor Ricketts praised the efforts of his Department of Natural Resources and the Office of the Attorney General to open and establish a long-term commitment to dialogue among water users, regulators and States, and support the movement away from the era of litigation and controversy that began over 20 years ago. Dialogue and recent court decisions supporting the State's views have created an environment for advancing solid strategies for future water planning and investment in water management, efficiencies, and conservation.

Pending approval by the Colorado and Nebraska legislatures, the funds provided through this settlement, expected sometime later in 2018, will be managed by the Department of Natural Resources for surface water related projects that will add to the existing ongoing implementation of the integrated management plans led by the Natural Resource Districts in the basin. Their past significant investments include augmentation projects, proposed new excess water diversions, incentives for reducing irrigated acreage, and water efficiency technologies.

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