

FOR IMMEDIATE RELEASE
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**CITY & STORRIE SETTLE
LONGSTANDING WATER RIGHTS DISPUTE**

City of Las Vegas Mayor, Tony E. Marquez Jr., and Storrie Project Water Users Association, President, Robert Quintana announced today that they have reached a settlement agreement related to longstanding litigation over the City's claim to a pueblo water right from the Gallinas River. The litigation dates back to the 1950's when the New Mexico Supreme Court decided that the City had a senior right to water from the Gallinas. In 2004, the State Supreme Court reversed its earlier decision, but sent the case back to the District Court to decide whether the City should be granted additional water rights due to its reliance on the earlier decision.

Today's settlement resolves the dispute among Storrie, the United States Fish and Wildlife Service and the City over that last remaining issue of the litigation. Other parties, including a number of acequias, also oppose the City's claims, and the City has been engaged in settlement discussions with those parties. In the settlement, the City agrees that it will not seek to obtain water rights in the litigation over and above the 2,600 acre feet the Court has already awarded the City. All parties recognize that the City needs additional water rights and agree that the City's claims in the litigation are not otherwise limited and that the City can acquire additional water rights by other means.

Storrie and the U.S. also agreed to limit their protests to the City's future applications with the State Engineer for transfer of water rights to the City's water system. Another part of the settlement contains agreements on how the transfer of water rights owned by Storrie Project members to the City's water system will be handled. The transfers have to be consistent with a current Stipulation in a pending transfer proceeding by the City and need to be approved by the State Engineer before they can be implemented.

The settlement resolves one aspect of the litigation and agreements will have to be reached with other parties and the State Engineer before the case is finally settled. Obtaining additional water rights and storage space is one aspect of resolving the City's historical water shortages. Storrie has advised the City that it is prepared to immediately begin negotiations for a new lease for storage space in Storrie Reservoir for City water rights. The existing lease expires at the end of 2009.

Mayor Marquez and Storrie President are happy to announce the resolution of this longstanding issue as a first step in cooperatively working together to resolve other issues through good faith negotiation rather than litigation. Mayor Marquez, also stated that "the City is moving aggressively on multiple fronts to plan and implement a number of alternatives that will decrease water system demand and increase future supply for its citizens. He also urged citizens to be mindful of the need to conserve limited supplies of water".