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State Engineer Approves Emergency Water Authorization to Meet Summer Water Demand in Clovis

(CLOVIS, New Mexico) — The Office of the State Engineer has approved New Mexico American Water's ("NMAW") request for Emergency Authorization to help residents of Clovis, New Mexico to have enough water during the coming summer months.

NMAW had two pending requests in front of the State Engineer's Water Rights Division: 1) Application to Combine; and 2) Request for Emergency Authorization. Within its Application to Combine Underground Water, filed July 30, 2008, NMAW requested an Emergency Authorization to increase diversions above its currently permitted amounts in 15 of its 67 Points of Diversion.

"Without this emergency authorization, NMAW projects that by early summer, it will no longer be able to provide a reliable pumping schedule that would allow it to meet its demands without compromising other water rights in the region," said New Mexico State Engineer John D'Antonio. "NMAW submitted a plan that would also meet the criteria of the State Engineer's Hydrology Bureau, without impairing existing water rights."

NMAW submitted an affidavit from Kathy Wright, General Manager of NMAW, requesting the approval of an emergency authorization to combine about 7,103 acre-feet per year. The affidavit said that without emergency authorization, "NMAW anticipates that by May, 2010, it will no longer be able to provide a reliable full supply of water to Clovis residents under its permitted water rights as they are currently configured." In addition to its affidavit, NMAW provided a proposed pumping schedule.

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The Water Rights Division's decision to approve NMAW's Request for Emergency Authorization was based on the affidavit submitted by Ms. Wright, the revised pumping schedule and the Office of the State Engineer Hydrology Bureau's finding, after a preliminary investigation, that approval of the request for Emergency Authorization will not impair existing water rights. The Emergency Authorization is approved for one (1) year, with the possibility of an extension of time for a second year.

NMAW has water rights for more than 51,000 acre-feet of water and uses about 7,100 acre-feet a year to supply water to Clovis. Each of the 59 wells that currently supply water to Clovis has a set water right assigned to it. Some of these wells are no longer capable of pumping the full amount of the water right assigned to the well, other wells have more water capacity available, but are limited by the water rights currently assigned to that well. NMAW will be required to meter all water from its wells and submit meter readings to the Water Rights Division every month.

NMAW said managing water rights comprehensively will help offset the drop in the Ogallala Aquifer in eastern New Mexico.

NMAW is a wholly owned subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing quality, reliable water and related services to about 60,000 people in Clovis and Estancia.

The New Mexico Office of the State Engineer is charged with administering the state's water resources. The State Engineer has power over the supervision, measurement, appropriation and distribution of all surface and groundwater in New Mexico, including streams and rivers that cross state boundaries. The State Engineer is also Secretary of the Interstate Stream Commission.

The New Mexico Interstate Stream Commission is charged with protecting New Mexico's right to water under eight interstate stream compacts, ensuring the state complies with each of those compacts, as well as water planning.

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