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CRMWA TENTATIVE AGREEMENT WITH MESA WATER SOLIDIFIES CRMWA MEMBER CITIES' WATER FUTURE

April 7, 2011 (Sanford, TX) – Officials from Mesa Water and the Canadian River Municipal Water Authority (CRMWA) announced today that they have reached a preliminary agreement on the terms of a deal that would result in a sale to CRMWA of approximately 211,000 surface acres of water rights currently owned or controlled by T. Boone Pickens and Mesa Water.

“We are pleased to have reached this point with Mesa Water”, **said Norman Wright, President, CRMWA Board of Directors.** “The addition of these groundwater rights to those currently owned by CRMWA further reduces our reliance on Lake Meredith as a source of supply. The result of this agreement will benefit everyone involved and ensure that CRMWA is able to continue its supply to Member Cities for generations in the future.”

CRMWA has agreed to pay approximately \$103,000,000 for this nearly 4 trillion gallons of groundwater in place. The preliminary agreement is not legally binding and will be followed by a final purchase and sale agreement at a later date once full due diligence and financing arrangements have been completed. The sale is expected to close in July or August 2011.

“When we started this project in 1999, we wanted to make sure people in the Panhandle fully realized the value of the asset under their property”, **said T. Boone Pickens, Chief Executive of Mesa Water.** “With this deal at this time, we have done that. This purchase and prior purchases have put roughly \$200 million into the Panhandle economy for local ranchers and landowners. The Panhandle now has a reliable local water source that they can count on for hundreds of years. This sale will include all of our co-owners who previously sold 50% to us in 2005. This is a classic win-win transaction.”

About CRMWA - For over fifty years, the Canadian River Municipal Water Authority (CRMWA) has worked to serve its member cities and all citizens of the Texas Panhandle and South Plains by providing a dependable and safe source of municipal and industrial water.

CRMWA supplies raw water to 11 member cities (over ½ million people) in the Texas Panhandle and South Plains via a 370-mile aqueduct system. The Authority's current source of water is Lake Meredith and the John C. Williams Wellfield in the Texas Panhandle. CRMWA was created by the Texas Legislature to provide a source of municipal and industrial water for its eleven member cities: Amarillo, Borger, Brownfield, Lamesa, Levelland, Lubbock, O'Donnell, Pampa, Plainview, Slaton, and Tahoka. The headquarters is located at Sanford Dam about 37 miles northeast of Amarillo, Texas. The original project (Lake Meredith and its associated pipelines) was built and financed by the Bureau of Reclamation in the mid 1960's. The groundwater project came on-line in 2001 and its importance and scope has increased as Lake Meredith's storage has declined.

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