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Navajo Settlement
July 12, 200

OVERVIEW

SAN JUAN RIVER BASIN IN NEW MEXICO

NAVAJO NATION WATER RIGHTS SETTLEMENT

On April 19, 2005, the State of New Mexico and the Navajo Nation signed the San Juan River Basin in New Mexico Navajo Nation Water Rights Settlement Agreement (Navajo Settlement). The Navajo Settlement resolves the claims of the Navajo Nation to the use of waters of the San Juan River Basin in New Mexico. The Navajo Settlement includes the development of the Navajo-Gallup Water Supply Project that will bring a renewable surface water supply from Navajo Reservoir to Navajo and non-Indian communities in northwestern New Mexico. As a condition of the Navajo Settlement, the Navajo Nation and the United States will release claims to water that potentially might otherwise displace existing non-Navajo water uses in the basin in New Mexico.

On April 19, 2007, United States Senators Jeff Bingaman and Pete Domenici and Congressman Tom Udall introduced the Northern New Mexico Rural Water Projects Act. Hearings have been held on the legislation in Senate and House committees. The act will approve the Navajo Settlement, authorize the construction and operation of the Navajo-Gallup Water Supply Project, fund construction and rehabilitation of Navajo and non-Navajo water projects in the San Juan River Basin in New Mexico, and provide other authorizations necessary to implement the Navajo Settlement. The Senate bill has been combined with over 90 other bills and is currently part of the Omnibus Public Land Management Act (S. 3213) that is ready for consideration by the full Senate.

Once the Northwestern New Mexico Rural Water Projects Act has been passed into law and the Navajo Settlement has been executed by the Secretary of the Interior, a joint motion will be submitted to the Court in the San Juan River Adjudication requesting entry of partial final decrees to quantify the water rights of the Navajo Nation within the basin in New Mexico. A hydrographic survey conducted by the United States and the State of New Mexico is underway to identify rights of the Navajo Nation to historic and existing irrigation, recreation and livestock uses on Navajo lands from water sources other than the San Juan and Animas rivers, and rights acquired by the Nation under state law. Parties to the San Juan River Adjudication will be able to submit objections to the court regarding the proposed Partial Final Decree and Supplemental Partial Final Decree through an expedited *inter se* process.

The water uses to be provided pursuant to the Navajo Settlement fit within New Mexico's allocation under the Upper Colorado River Basin Compact. On May 23, 2007, the Secretary

of the Interior approved and signed the Hydrologic Determination confirming that sufficient water is likely to be available to satisfy Navajo water demands in New Mexico under the proposed Navajo-Gallup Project, and transmitted the determination to the Governors of each of the Colorado River Basin states (California, Nevada, Arizona, Colorado, Wyoming, Utah and New Mexico). Prior to approval of the Hydrologic Determination, the Upper Colorado River Commission had passed a resolution providing its support for the Navajo-Gallup Project and for such a determination.

The Navajo Settlement includes a proposed Settlement Contract to provide for deliveries of water to the Navajo Nation under Bureau of Reclamation water projects, namely the Navajo Indian Irrigation Project, the Navajo-Gallup Water Supply Project, and the Animas-La Plata Project. Under the Navajo Settlement, the Navajo Nation will administer its rights on Navajo lands in New Mexico subject to non-impairment of non-Navajo Nation water rights and subject to the provisions of the Partial Final Decree and the Navajo Settlement. Transfers of water uses by the Navajo Nation to locations off Navajo lands will require approval of the New Mexico State Engineer. The Navajo Nation will be responsible for measuring and reporting water uses under its rights, and the New Mexico State Engineer will monitor Navajo Nation water uses for compliance with the decrees.

The Navajo Settlement currently is estimated to cost over \$900 million, and the largest portion of this cost is for construction of the Navajo-Gallup Project. The City of Gallup and the Jicarilla Apache Tribe will contribute toward the construction costs of those portions of the project attributed to those entities, and the State of New Mexico will provide an additional cost share. The State of New Mexico has already funded more than \$30 million for projects associated with components of the Navajo-Gallup Project, and will receive cost-share credit for most, if not all, of these funding contributions.