

Comments of City of Aztec
On
Proposed Navajo Water Right Settlement
City of Farmington Civic Center
December 15, 2003

My name is Mike Arnold. I am here tonight representing the City of Aztec.

We appreciate you holding this public hearing on the proposed Navajo Water Rights Settlement that has been hammered out between the State of New Mexico and the Navajo Nation. The settlement could easily have a major impact on the future of this Basin.

From the sheer volume of documents we have seen, it is apparent that serious negotiating has been occurring for a long time. We thank both the State of New Mexico for its hard work and foresight on a very important issue. We also thank the Navajo Nation for their willingness to initiate settlement talks and to commit the political will and resources that were necessary to develop these settlement documents. It is easy to understand why settlement of water right issues with the Navajo Nation could be beneficial to the people of San Juan County. Settlement could very well provide economic certainty to the area.

Now I would like to turn to the actual settlement documents developed by the Navajo Nation and the State Engineer. We received them only last Thursday. They are going to take a long time to fully digest. Our thoughts tonight can therefore only be cursory.

Because we have not had adequate time to fully understand the implications of the documents, we can not say tonight that the City of Aztec is in full support of the documents. But neither can we say we are against anything specific—we simply need more information before we can understand the settlement.

One item that would very much help us begin a detailed review is for the State Engineer to provide us with a detailed breakdown of the 8,900 acre-feet that is shown in the State of New Mexico Anticipated Upper Basin Depletion schedule for municipal and industrial purposes. We assume that Aztec's depletions are lumped into this item, but by apparently lumping Aztec's depletion together with Farmington and Bloomfield and other entities, it is difficult for us to understand what the state's predicts our future depletions will be. Depletions are directly related to our water rights and by understanding this schedule we can probably project what the State proposes to offer us in the current San Juan Adjudication Court. We want to see how our permitted and existing adjudicated water rights will be impacted. As an example, we want to understand if the anticipated depletion schedule covers our rights referred to in the Echo Ditch Decree as Aztec's "604 Lots". Once we receive this information, we can further begin to understand how the settlement affects our water rights under New Mexico's entitlement under its Upper Basin and Colorado River Compacts. We would also like to respectfully request you not submit this depletion schedule to the Bureau of Reclamation for a formal determination until the City has a chance to participate in the Schedule's development.

At previous public hearings on this proposed Navajo Settlement, the State Engineer presented a slide that said that the settlement could only work if a majority of people in the Basin supported it.. We think it safe to say that he said this because he knew that political reality had to be faced. It would be hard to gain Congressional support for the settlement if the majority of people in the San Juan Basin were against the terms of a proposed settlement

Although we realize that the State and the Navajo Nation are anxious to introduce a Settlement bill in Congress this coming spring, we suggest that the process be slowed down. ~~At~~ this time, the City is not in a position to offer Congressional support. We simply don't have the information to meaningfully comment on the settlement ^{terms} ~~terms~~ that the State Engineer and the Navajo Nation have agreed upon.

We would also like to suggest that at the same time as the Navajo Settlement is being developed, that the State work in parallel with the City of Aztec to determine if our water rights can also be settled. Our rights are not that complex, and it would be desirable that a *Partial Final Judgment and Decree* on Aztec's rights be submitted to the Court at the same time that the Navajo's rights are submitted to the Court. This approach could end up saving years of litigations costs and frustrations.

The documents we received appear to indicate that the State of New Mexico proposed to invest \$25 million and the United States proposes to invest over \$800 million. For these kinds of funds, we feel that global settlement of the water rights in the Basin should occur.

In closing, again we would like to congratulate the Navajo Nation and the State on all its hard work to date. We would like now to work with the State and Navajo Nation to gain the support of the majority of the people in the Basin. To do so, we now need to become a part of the negotiation process.

Thank you.
