

RR-24-2004 13:18 FROM: BOR ANIMAS LA PLATA 19702590059

TO: +9287294126

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SJ-17



United States Department of the Interior

BUREAU OF RECLAMATION
ANIMAS-LA PLATA CONSTRUCTION OFFICE
P.O. BOX 5107
103 Everett Street
Durango, CO 81301



IN REPLY REFER TO:

FCO-220
PRJ-8.00

Mr. Arvin S. Trujillo
Executive Director
Division of Natural Resources
The Navajo Nation
P.O. Box 9000
Window Rock, AZ 86515

Subject: City of Farmington Reach, Navajo Nation Municipal Pipeline, Animas-La Plata Project, New Mexico (Your Letter dated February 11, 2004)

Dear Mr. Trujillo:

As demonstrated by the number of issues cited in the subject letter, there are numerous items related to this project yet to be resolved. I want to take this opportunity to state that my staff and I are committed to working with the Navajo Nation (Nation) to resolve all project related issues. I would also like to express my gratitude for the tireless efforts and commitment to this project that your staff has demonstrated throughout this process. The Nation can be proud of its Department of Water Resources and its devotion to the development of the Nation's precious water resources.

Since a determination, by the Bureau of Reclamation (Reclamation), that the City of Farmington (COF) reach is an authorized feature of the Animas-La Plata Project and receipt of the subject letter, we have met with representatives of the Nation, Navajo Tribal Utility Authority (NTUA), Indian Health Services (IHS), and the COF on issues related to the Navajo Nation Municipal Pipeline (NNMP). We are currently in the process of preparing the preliminary engineering report (Report) requested by your letter. We agree that the report will assist in resolving some of the issues related to NEPA compliance, connecting to the existing COF infrastructure, and in determining an efficient alignment. Subject to our receiving data from the COF and IHS the report should be completed and submitted to your office in April or early May.

During the NNMP coordination meeting (June 7, 2001) with representatives from the Nation, IHS, NTUA and Reclamation, the Nation expressed its desire for ownership of the completed pipeline. However, the authorizing legislation does not address the issue of pipeline ownership. To better understand the options available to the Nation, Reclamation suggests obtaining an opinion from the Solicitor's Office on the authority to convey ownership to the Nation.

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In order to initiate this process, Reclamation requests a letter from the Nation expressing its position regarding ultimate ownership. The letter should also acknowledge that acceptance of ownership includes operation and maintenance responsibilities for the pipeline. Once we receive the letter, Reclamation will submit a request for a Solicitor's opinion regarding this issue.

As stated in the subject letter, the COF has expressed its interest in taking full advantage of this reach by exploring options for providing improved fire suppression, use of unused system capacity, to provide redundancy to its existing system, and in partnering with the Nation and Reclamation. Reclamation is willing to explore these options with the Nation and COF as long as there are no costs to the government above those required to deliver the authorized capacity to the Nation and such delivery is guaranteed by the COF.

The issue of who takes the lead in the design and construction of this reach will depend upon a determination on the authority to allow other uses of this reach.

If you have any questions, please contact Paul Hendricks at 505-325-1794, ext. 135.

Sincerely,



Rick Ehat, Project Construction Engineer
Animas-La Plata Construction Office

cc: Mr. John Leeper
Department of Water Resources
The Navajo Nation
P.O. Drawer 678
Fort Defiance, AZ 86504