Stanley is reluctant to get into many of these details if it appears that the overall framework being discussed does not provide an adequate basis for negotiating. The discussion of the difference between working from the top down (Stanley's approach) and from the bottom up (the OSE's approach) needs to be further explored. Stanley's conceptual starting point is that all the water in the river is Navajo water, and that a potential Navajo claim will exceed the Compact limits for the State of New Mexico. From there, we work down on what is needed to adequately protect the legitimate non-Indian interests. The OSE's starting point is the compact, combined with the cumulative total of the water rights associated with the existing decrees. The "remaining" water if any may be part of a Navajo nettlement. From Navajo's point of view that is the worst possible outcome of litigation. Stanley is looking for a process that would symbolically and substantively fulfill the Navajo's conceptual expectations. One suspects that both approaches could be crafted to get us to the same end point if we can agree as to what that end point should be.

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MUIZ RE SUWC Contract WITH BOR

JOHNW

# August 8, 2001 REVIEW MEMO-AMENDATORY FUNDING AGREEMENT-SAN JUANWATER COMMISSION-Revised Draft-dated 8-01-01 Philip Mutz

The subject draft contract was transmitted to Thomas Turney for review by letter dated August 1, 2001 signed by Randy Kirkpatrick I have noted the following in a review of the draft.

- The contract would provide for the transfer of the Department of the Interior's interest in State Engineer Permit No. 2883 to the Mew Mexico beneficiaries of the Animas-La Plata Project in order to fulfill the New Mexico non-Navajo purposes of the project. (Sec.7). Also, the contract appears to primarily, if not entirely, contract for 3025 acrefeet of storage in Ridges Basin Reservoir, without contracting for an annual amount of water to be delivered.(Sec.6.(a)). However, the contract does include an average annual depletion amount of 10, 400 acre-feet of water.
- The contract does not appear to provide for any assignment to the United States of the water right it and it's members would receive under the transfer of the water right noted above. Also, the contract does not mention the Animas-La Plata Project Compact. Consequently, the operator of the project may not have any basis for bypassing flow at the Durango Pumping Plant to meet the demand in New Mexico or to divert water to storage for later release to New Mexico.

STUC edits to dealt All regagnest without appear problematic in that they: 1) provide 55WC with defletion of 10,440 out of water stored a little Bacin only! Could nove supletion de made from direct flow under Al prints/ SJUC grante 2) specify no diversion unsunte from water stored in Ridge form or from direct flours - Could Liversion. exceed 20,800? - regulate by NM, not Feel 3) provide that use of water stored in Riber Brain is limited to authorized All was - Could use of direct flow under AllSTWG permits be for other

4) provide for Jayment for storage space for to STUC in Ridges Gavin (for both construction \$000) - What happens when flows not a sufficient and deliving amount not in continued.

Juspools ?

Pg.14.Sec.10(a). The words "its water identified herein" is not clear and should be revised to state clearly what is intended.



### Sarduan Water Commission

MEMBERS:
City of Aztec
City of Bloomfield
City of Farmington
San Juan County
Ity Bural Water Use

August 1, 2001

Thomas C. Turney, NM State Engineer Office of the State Engineer PO Box 25102 Santa Fe. NM 87504-5102 COPY

Re: Draft amended contract between the San Juan Water Commission and U.S. Bureau of Reclamation; draft escrow agreement; draft escrow instructions

Dear Mr. Turney:

Attached for your review are the three contract documents that the San Juan Water Commission ("Commission") is sending today to the Bureau of Reclamation ("Bureau"). We are very interested in your comments and observations that could help us negotiate and draft an amended contract that serves the best interests of the residents of San Juan County and the State of New Mexico. Toward that end, we would be pleased to host a meeting with you to discuss the contract when you visit San Juan County later this month with the Interstate Stream Commission. We will contact your office to arrange the details of a meeting.

The 'draft' amended contract, an earlier version of which you may have seen, has been revised to reflect the tentative agreement of the Commission and the Bureau. The Commission added redlines to present its best negotiating position at this time. The whole Commission reviewed the contract today, especially our changes, and we hope that the contract negotiations are nearing completion. We have another negotiation session scheduled for August 7, 2001, and the goal is to finalize it for public review and internal Bureau review so that it can be executed before October 1, 2001.

Also enclosed is a proposed escrow agreement and accompanying instructions. One proposal the Commission advances in the escrow agreement is that payment of the up-front cost to the escrow account would constitute the payment required under the legislation to avoid interest during construction, even if the full amended contract has not been executed before the initiation of construction. The escrow agreement and instructions are based on the escrow agreement and instructions the State of Colorado used pursuant to the Cost-Share Agreement. We have not sent the Bureau any drafts of these escrow documents before today, but they suggested using the Colorado documents as a model.

As always, Mr. Turney, we appreciate your concern and interest in water issues in San Juan County, and we look forward to discussing these draft documents with you soon.

Executive Director

andy Kirkpatrick

Sincerel

Contract No. <u>0-07-40-R1080</u>

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION



#### ANIMAS-LA PLATA PROJECT COLORADO RIVED SI LEAGE PROJECT

### AMENDATORY FUNDING AGREEMENT AND REPAYMENT CONTRACT BETWEEN THE UNITED STATES AND THE SAN JUAN WATER COMMISSION, NEW MEXICO

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Navajo SEHTEMENT DOCS

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### Hearing before the Senate Energy and Natural Resources Committee

#### S. 1171 Northwestern New Mexico Rural Water Projects Act,

### Statement of John R. D'Antonio, Jr. New Mexico State Engineer

Mr. Chairman a:

Engineer. I appreciate

comments on behalf of

Rural Water Projects A\*

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The State of New Mexico and the Navajo Nation reached this settlement after decades of disagreement and many years of intensive settlement talks. It is no small matter that we appear before you today, together, urging the United States to join us as signatories to the settlement agreement.

We believe this legislation has been carefully crafted to address water supply needs within New Mexico and protect the long-standing Law of the Colorado River while building off the recent cooperation and agreements among the Colorado River Basin states.

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ST-17 Navajo Jehr

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We believe this legislation has been carefully crafted to address water supply needs within New Mexico and protect the long-standing Law of the Colorado River while building off the recent cooperation and agreements among the Colorado River Basin states.

I would like to discuss these issues in further detail.

#### Rural Water Supply Project

The legislation would authorize the Northwestern New Mexico Rural Water Supply Project. This project is vital to solving the acute water supply conditions facing much of northwestern New Mexico, including a large portion of the Navajo Nation. The project is described in detail in the final draft Environmental Impact Statement recently released by the Department of Interior. The project builds off of an existing Colorado River Storage Project Act reservoir, and is supported by a federal planning process that has been underway for over 30 years. The State of New Mexico looks forward to receiving the Bureau of Reclamation's feasibility level design cost estimates for the project in the near future so that progress can continue toward a final EIS and project construction.

As demonstrated through many of the comments presented to the Bureau of Reclamation in response to the draft EIS, today more than half of rural Navajos in New Mexico must haul water for many miles to receive a basic domestic water supply. The reality faced by Navajo families was highlighted in a recent PBS documentary, developed with the assistance of the State of New Mexico, and many viewers were shocked to realize the primitive conditions suffered by Navajo people, who currently have to travel many miles each day to fill up tanks at water supply stations and haul them home again. The BOR heard comments on the draft EIS from several Navajo citizens including a Navajo Code Talker who described his daily hardships and another veteran who lamented his inability to utilize the GI home loan program because of the lack of fire hydrants where he lives. During one public meeting, grade school children presented drawings of trucks carrying water tanks as description of their current water supply systems.

By providing the backbone for a regional water supply system, the project will enable the Navajos to receive water – a basic need that virtually all other U.S. citizens take for granted.

The project will also enable the City of Gallup to acquire a renewable surface water supply. Currently, Gallup faces quickly declining groundwater supplies with the prospect of severe shortages within 20 years. Finally, the project will deliver water to the Jicarilla Apache Nation for use in the water scarce southern portion of the Apache reservation.

By 2040 the project is expected to serve approximately 250,000 people, including the residents of Gallup. The project would be the second biggest water utility in the state, smaller only than the Albuquerque Bernalillo County water utility.

Because the project will serve a very large area and contain over 800 miles of pipeline, the cost of the project is high. But, the project costs can be appropriated over several years, and the Reclamation Water Settlements Fund, to be created by Title II of S.1171, provides a reasonable means of funding project costs if sufficient appropriations have not been made by 2018.

In recognition that the state will incur costs associated with its Indian water rights settlement projects, including the Navajo Settlement, the State of New Mexico has made initial contributions to the New Mexico Indian Water Rights Settlements Fund (NMSA 72-1-12). In addition, over the last 4 years, the state has invested approximately \$9.7 million in a Gallup regional distribution system and, this year, the New Mexico legislature appropriated \$15.3 million to be used for construction of the "Cutter Lateral" pipeline on the eastern side of the project. New Mexico recognizes the importance of funding rural water supply and Indian water rights settlement projects and looks forward to a federal commitment commensurate with the federal government's trust and statutory responsibilities. New Mexico commends Senators Bingaman and Domenici for their recent communications with the Office of Management and Budget regarding the need to treat New Mexico's water rights settlements fairly and consistently vis-a-vis other settlements around the country.

#### Benefits of the Navajo Settlement

In addition to authorizing a project that would provide a secure source of drinking water for Navajo and Apache communities and for the City of Gallup, the legislation would approve a comprehensive settlement of the Navajo Nation's water rights claims in the San Juan Basin in New Mexico. Navajo claims to the San Juan River have long-threatened the security of water rights of all other water users within the basin. After years of difficult negotiations, the State of New Mexico and the Navajo Nation entered into a settlement agreement in 2005.

The State of New Mexico strongly believes that the settlement represents a fair and equitable resolution, and we respectfully ask this Committee to support it. The San Juan River, like most rivers in the southwest, does not produce enough water to meet all claims for current and future uses. Under the settlement, the Navajo Nation agrees to substantially reduce its claims in exchange for the wet water supplied by the proposed project.

Before signing the settlement agreement, the State of New Mexico carefully considered the needs of non-Navajo water users in the San Juan Basin, and over the course of several years, the state met many times with water user groups, took formal public comments, analyzed alternatives and worked tirelessly to negotiate the agreement in order to resolve the concerns voiced. Some of the most difficult negotiations centered on numerous changes to the settlement agreement that provide additional protections for third parties. The State of New Mexico has reviewed the settlement agreement and proposed legislation from a perspective of protecting all water users within the state, including San Juan-Chama Project water users, and the state believes the settlement benefits and protects those water users.

I firmly believe that we have come as close as possible to a resolution that provides maximum benefits and protections for all water users, given limitations of water supply and potential uncertainties of its allocation if the Navajo claims were litigated.

To underscore this point, I want to outline some of the most important provisions built into the settlement to protect non-Navajo water users.

Under the settlement, the Navajo Nation accepts compromises regarding both the quantity of its water rights and administration of its priority dates, with the result that Navajo claims fit within New Mexico's apportionment of the Upper Colorado Stream System and will not displace other existing uses and projects.

Under the settlement, the quantity of Navajo water rights would be made up of essentially three components. First, the settlement recognizes the existing uses of the Navajo Nation, including its old irrigation projects Hogback and Fruitland diverting directly from the San Juan River for authorized irrigation of approximately 12,000 acres. Second, the settlement recognizes the Navajos' largest right, its right to irrigate over 110,000 acres that comprise the Navajo Indian Irrigation Project (NIIP), authorized by Congress in 1962 by Public Law 87-483. Finally, the only "new" water the Navajos will receive is almost 21,000 acre-feet a year of water to supply domestic and commercial uses for the Navajo portion of the Northwestern New Mexico Rural Water Supply Project.

Regarding the large Navajo Indian Irrigation Project right. Congress authorized an annual diversion of 508,000 acre-feet; however, the Navajos through conservation are agreeing to limit diversions to 353,000 acre-feet and could only exceed that amount by obtaining a State Engineer permit assuring that no other water users would be impaired by an increase.

With respect to priority dates, under the federal reserved water rights doctrine, the Navajos could claim an 1868 priority, the date of their reservation. Under the prior appropriation doctrine, the Navajo Nation, as most senior water right holder, could call for all its water before anyone else on the San Juan River. Even with reduced quantities as provided under the settlement, an 1868 priority would threaten frequent curtailment of other water users.

Consequently, the Navajos are agreeing that NIIP and the proposed rural water supply project will be supplied under the Navajo Reservoir's 1955 priority, instead of a reserved priority date of 1868. This concession means that 10 percent of Navajo rights will have an 1868 priority and 90 percent will be administered with a 1955 or later priority.

I have described two of the most important protections incorporated into the settlement, regarding quantity and priority. but there are several other protections conferred by the settlement I want to touch on.

The settlement has valuable shortage sharing provisions that protect other federal projects. As you know, the federal government has invested a great deal of resources in the Animas-La Plata Project (ALP) and the San Juan-Chama Project. These projects are vital to the State of New Mexico, but they have relatively junior priority dates of 1956 and 1955, respectively. In addition to the general protections I have already described, the Navajo Nation is agreeing to additional, specific protections for these two important federal projects.

ALP's 1956 priority in New Mexico makes it vulnerable to priority calls within the San Juan Basin. Most of the 13,520 acre-feet per year of ALP water allocated for use in New Mexico will supply the future needs of the three municipalities of Farmington. Bloomfield and Aztec. In the event that curtailment of New Mexico's water uses is required by the Upper Colorado River Basin Compact, the Navajos agree to provide protection to New Mexico contractors up to their project contract amount. Under this protection, the Navajos agree to forgo their uses in order to make water available to ALP at the same percentage supply available to the rural water supply project authorized by S. 1171.

Section 102 of S. 1171 would amend Public Law 87-483, which authorized the San Juan-Chama Project, to clarify that the normal annual diversion requirement for that project is 135.000 acre-feet for purposes of allocating annual water supply shortages between Navajo Reservoir contractors and the San Juan-Chama Project. That provision minimizes the potential for shortages to the San Juan-Chama Project, which on average diverts 105,000 acre-feet per year, or less, in dry years when less water is available for project diversions. This means that a large reduction in Navajo Reservoir's physical supply would have to occur before the San Juan-Chama Project would begin sharing administrative shortages.

In addition, in order to protect federal project contractors, the state analyzed the risks associated with allowing additional water to be contracted from Navajo Reservoir to supply the proposed regional water project. The hydrologic determination recently signed by the Secretary of Interior confirms that additional water is available for the new contract uses without impairing existing uses. The additional risk of shortage to contractors from either the San Juan Chama-Project or Navajo Reservoir supply is minimal, and the State of New Mexico believes that other settlement and legislative benefits provided outweigh any additional risks of shortage.

Another category of protections I want to mention consists of specific protections for non-Navajo water users who are not supplied by federal projects. These users are direct flow irrigators, municipalities and power plants. Many non-Indian and municipal state-based rights were quantified in the 1948 Echo Ditch Decree, to which the United States and the Navajo Nation were not parties. Under the settlement, the Navajo Nation and the United States would agree not to challenge the elements of Echo Ditch Decree rights except on the basis of forfeiture, abandonment or illegal use occurring after entry of the Decree. This means that the U.S. and the Navajo Nation would not go behind this long-standing decree to challenge the water rights decreed at that time or challenge the validity of the decree. Similarly, in conjunction with the settlement, the Navajo Nation is agreeing to recognize water rights of the City of Farmington quantified by the Echo Ditch Decree.

An important protection for direct flow diverters is the Navajos' agreement to call on an alternate water supply from Navajo Reservoir before making a priority call against direct flow. Although, as I mentioned above, the settlement provides that 90 percent of the Navajos' rights would be supplied under Navajo Reservoir's 1955 priority, the Navajos' old direct flow irrigation projects Hogback and Fruitland would retain an 1868 priority. In many years the demand of those projects would cause junior diverters to be shut off absent the additional protection secured by the settlement requiring the Navajos to use their alternate water supply. Under the alternate water supply provisions, the Navajo Nation agrees the Hogback and Fruitland projects will refrain from priority calls against upstream junior appropriators and instead will deliver up to 12,000 acre-fect in any year of NIIP contract water in storage in Navajo Reservoir when the direct flow is insufficient to meet water demands. If this amount is exhausted in any year, priority calls may occur at that time in that year. Based on the hydrologic record, this provision would mean that instead of priority calls in one out of two years, Hogback and Fruitland would only be entitled to make priority calls in one out of every twenty years, on average.

The last category of protections I want to touch on includes administrative provisions to help assure that the San Juan River Basin is managed in an orderly fashion and within the supply available. Both the legislation and settlement confirm the State of New Mexico's authority to administer water. Under the settlement, the Navajo Nation agrees that the State Engineer has authority to serve as water master in the basin and to administer water rights in priority as necessary to comply with interstate compact obligations and other applicable law. In addition, the State Engineer will have authority to make determinations of current beneficial uses for any changes in points of diversion and for any changes in purposes or places of use of Navajo water

rights off of Navajo lands. The Navajo Nation also agrees to comply with state law regarding marketing of water rights.

The Navajo Nation further agrees not to pump groundwater so as to deplete the flow of the San Juan River by more than 2,000 acre-feet per year, unless the State Engineer approves use of Navajo surface water to offset depletions in excess of that amount. Any Navajo groundwater uses beyond those quantified in the settlement agreement also would be subject to non-impairment of existing water rights.

Outside the Navajo Reservation on lands allotted by the United States, there are numerous individual Navajos who could assert federal reserved claims in the pending San Juan River Adjudication. The Navajo Nation is agreeing to use its water rights decreed under the settlement to supply or offset any future uses that may be awarded in the adjudication to individual Navajos allottees in the San Juan Basin.

I have already mentioned the settlement confirms over 150,000 acre-feet per year of conservation of NIIP irrigation water. The settlement and S. 1171 further promote conservation of water by authorizing funding for rehabilitation and construction improvements to Navajo and non-Indian irrigation systems diverting from the San Juan River.

The proposed settlement is detailed and comprehensive. Although it is a creature of negotiation and compromise, I strongly believe that is represents the best result attainable for all New Mexicans who rely on the San Juan River.

As we move forward, the State of New Mexico looks forward to working with other parties on proposed legislative language to assure the protections intended by the settlement are realized.

#### The Colorado River Basin

New Mexico supports this legislation because it is good for New Mexico, the Navajo Nation, and the Colorado River Basin states. S. 1171 and the Navajo settlement help protect and further the interests of New Mexico with respect to the Colorado River Compact and the Upper Colorado River Basin Compact and are consistent with the spirit of the recent agreements among the basin states.

A basic tenet of the recent agreement reached among the seven Colorado River Basin

States is each state's right to develop its Colorado River water entitlement. The settlement and
the project's use of a renewable surface water to meet domestic needs are consistent with the

States' Agreement Concerning Colorado River Management and Operations and the States' joint
comments to the Bureau of Reclamation in connection with the Environmental Impact Statement
for the coordinated operations of Lakes Mead and Powell, which recognize that potential drought
in the future could raise uncertainties regarding each state's water supply options. The Navajo
Settlement resolves the Navajo Nation's water rights claims within the San Juan Basin in New
Mexico while allowing New Mexico to develop water uses within its apportionment under the
Upper Colorado River Compact.

New Mexico appreciates the Department of Interior's role in encouraging the recent agreement among the basin states and its recent engagement on Indian water rights settlements in New Mexico. Resolution of tribal water rights claims is important to states, tribes, and the federal government, particularly when the claims are resolved within a state's compact apportionment.

The Secretary of Interior's recent hydrologic determination was developed by the Bureau of Reclamation in collaboration with engineers and hydrologists from the Upper Division states and was concurred with by the Upper Colorado River Commission (representing Colorado.

Wyoming, Utah and New Mexico) through a resolution dated June 9, 2006. The Department of

Interior consulted with all of the seven basin states, including Arizona, California and Nevada, regarding the final hydrologic determination. This hydrologic determination confirms that water is available for the Navajo Settlement within New Mexico's apportionment of water under the Upper Colorado River Basin Compact without displacing any existing water uses within New Mexico.

S. 1171 authorizes the Secretary of Interior to sign the Settlement Agreement and design and construct a project to bring a necessary, safe and reliable water supply to many New Mexican families who currently rely on hauling water or unsustainable, poor quality groundwater to meet their domestic needs. The Upper Colorado River Commission has already expressed support for the settlement project and this legislation through resolutions dated June 19, 2003 and June 9, 2006. New Mexico hopes that all Colorado River Basin states will support the Navajo Settlement and S.1171.

Because the Navajo Reservation extends beyond one state's boundaries, the settlement's water supply project contemplates a pipeline extension to the Navajo Nation's capital in Window Rock, Arizona, on the border with New Mexico. New Mexico believes the settlement agreement and S. 1171 preserve Arizona's right to negotiate its own settlement with the Navajo Nation, and New Mexico encourages Arizona and the Navajo Nation, as they continue to work toward a resolution of their outstanding issues. Through consultation with Arizona, New Mexico has been able to accommodate some of Arizona's concerns, but many of Arizona's concerns go beyond the scope of our settlement, raising complicated issues that can only be addressed through agreement among all Colorado River basin states.

New Mexico is willing to continue conferring with any of the Colorado River Basin states as necessary to explain the settlement agreement or discuss concerns about the settlement.

New Mexico recognizes the complicated nature of the Law of the Colorado River and has

worked with other basin states on mutually acceptable legislative provisions. The recent and ongoing cooperation among the Colorado River Basin states in connection with the coordinated operation of Lakes Mead and Powell has given rise to a new spirit of open communication and compromise that New Mexico hopes will continue for years to come.

Mr. Chairman and committee members, the State of New Mexico asks you to support S. 1171. The costs of the Northwestern New Mexico Rural Water Supply Project and of the Navajo settlement are high. But the costs of delay in not addressing the vital and human needs of the communities of Northwestern New Mexico are much higher. This legislation would settle protracted and divisive litigation that casts a pall over the entire area, and in its place would provide certainty of water supply and economic development. It would also provide certainty regarding water rights for all water users of the San Juan River. Finally, it would authorize a regional rural water supply system that will afford the habitability and enjoyment of the land for generations to come.

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### Hearing before the Senate Energy and Natural Resources Committee

#### S. 1171 Northwestern New Mexico Rural Water Projects Act,

### Statement of John R. D'Antonio, Jr. New Mexico State Engineer

June 27, 2007

Mr. Chairman and committee members, I am John D'Antonio, New Mexico State

Engineer. I appreciate very much the opportunity to appear before you today and provide

comments on behalf of the State of New Mexico in support of the Northwestern New Mexico

Rural Water Projects Act. S. 1171.

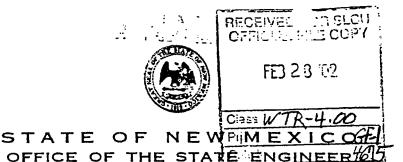
This legislation will authorize construction of an important rural water system for the Navajo Nation, the Jicarilla Apache Nation and the City of Gallup.

It will also resolve long-standing water issues between the Navajo Nation and the State of New Mexico in the San Juan River Basin of New Mexico by authorizing a comprehensive settlement agreement. The legislation clarifies provisions of existing law and provides guidance regarding regulations that will be developed to implement the settlement provisions.

The State of New Mexico and the Navajo Nation reached this settlement after decades of disagreement and many years of intensive settlement talks. It is no small matter that we appear before you today, together, urging the United States to join us as signatories to the settlement agreement.

We believe this legislation has been carefully crafted to address water supply needs within New Mexico and protect the long-standing Law of the Colorado River while building off the recent cooperation and agreements among the Colorado River Basin states.

SUBR NW WR SEHLEMENT TECHNICAL SUPPOPET DOCS



THOMAS C. TURNEY
State Engineer

February 19, 2002

SANTA FE

BATAAN MEMORIAL BUILDING, ROOM 101

11 - 105T OFFICE BOX 25102

(505) 827-6175 FAX (505) 827-6188

3/13/K/b teem

Rick Gold, Acting Regional Director Upper Colorado Region Bureau of Reclamation 125 South State Street, Room 6207 Salt Lake City, Utah 84138-1102

Dear Mr. Gold:

We appreciate very much the efforts of the Bureau of Reclamation in the planning and development of the proposed Navajo-Gallup Water Supply Project(NGWSP). The development of a viable project plan involves the determination of the water supply available to New Mexico from the Upper Colorado River Basin. The existing Hydrologic Determination approved by the Secretary of the Interior on February 2, 1989 (1988 Determination) projects water availability to the year 2040. It is our understanding that a contract for the proposed NGWSP should be for 40-50 years to the year 2060. It is our view that the 1988 Determination can be extended to the year 2060.

In contemplation that such an extension can be prepared, we have reviewed in detail existing, anticipated and potential depletions in the Upper Colorado River Basin in New Mexico and have prepared a tabulation of the results which are enclosed for your information. The data were discussed with your representatives at a briefing held in Albuquerque on January 29, 2002. It should be noted that the item "Remaining Available" is water that we reserve for future settlements.

The Upper Colorado River Commission at its meeting held in December 1999 approved a depletion schedule for the Upper Division States to the year 2060. The data enclosed herewith revises the depletions for New Mexico listed in that schedule. By copy of this letter, the data enclosed are being forwarded to the Upper Colorado River Commissioners for Colorado, Utah and Wyoming, and to the Colorado Water Conservation Board and the Wyoming State Engineer as well as to the Upper Colorado River Commission office.

Please let us know if additional information would be useful.

NOTICE IF YOU DETACH ENCLOSURES PLEASE INSERT CODE NO Letter to Rick Gold February 19, 2002 Page 2

Sincerely,

Thomas C. Turney

State Engineer and Secretary NMISC

#### Attachments

Copies to:

Scott Balcomb, Upper Colorado River Commissioner for Colorado Rod Kuharich, Director, Colorado Water Conservation Board

Larry Anderson, Upper Colorado River Commissioner for Utah

Tom Davidson, Upper Colorado River Commissioner for Wyoming Patrick Tyrell, Wyoming State Engineer

Wayne Cook, Executive Director, Upper Colorado River Commission

ebruary 2002

Upper Colorado River Division States Depletion Schedule (New Mexico)

Item	Year							
•	1991-95	2000	2010	2020	2030	2040 -	2050	2060+
CURRENT DEPLETIONS								
Agricultural-Irrig. & Stock	246	246	246	246	246	246	246	246
Municipal/Domestic	10	10	10	. 10	• 10	10	10	10
Power/Industrial	56	56	56	57	58	58	58	58
Minerals	0	0	0	0	0	0	0	Ô
Export	108	108	108	108	108	108	108	108
Reservoir Evaporation	29	29	29	28	28	28	28	28
TOTAL CURRENT DEPLETIONS	449	449	449	449	450	450	450	450
ANTICIPATED DEPLETIONS				•				
Agricultural-Irrig. & Stock	0	0	90	110	110	110	110	110
Municipal/Domestic	0		10	14	15	<sub>.</sub> 15	15	15
Power/Industrial	0	Ō	0	0	0	0	0	0
Minerals	0	0	0	Ō	0	0 -	0	Ō
Export	0	0	0	0	0	0 -		0
Reservoir Evaporation	0	0	0	0	0	Q	. 0	0
TOTAL ANTICIPATED DEPLETIONS	0	1	100	124	125	125	125	125
POTENTIAL DEPLETIONS								
Agricultural-Irrig. & Stock	0	0	0	0	0	0	0	0
Municipal/Domestic	0	0	0	6	10	12	12	12
Power/industrial	0	0	1	1	1	1	1	1
Minerals	0	0	0	0	0	0	0	0
Export	0	0	0	6	9	13	13	13
Reservoir Evaporation	0	0	0	0	0	0	. 0	0
TOTAL POTENTIAL DEPLETIONS	0	0	1	13	20	26	26	26
Summary of Depletions	449	450	550	586	595	601	601	601
Evap-Storage Units	58	58	58	58	58	58	58	58
TOTAL DEPLETIONS	507	508	608	644	653	659	659	659
State Share of 6.0 MAF	669	669	669	669	669	669	669	669
Remaining Available	162	161	61	25	16	10	-10	10
Percent of State Share	24%	24%	9%	4%	2%	1%	1%	1%

NOTE: This depletion schedule does not attempt to interpret the Colorado River Compact, the Upper Colorado River Basin Compact, or any other element of the "Law of the River." This schedule should not be construed as an acceptance of any assumption that limits the Upper Colorado River Basin's depletion.

In this schedule, the Upper Division Allocation is listed, for planning purposes only, as 5,950,000 acre-feet. For planning purposes, the total Upper Colorado River Basin Allocation is 6,000,000 acre-feet, of which 50,000 acre-feet is the Upper Basin allocation to Arizona. This estimate does not constitute an endorsement of the Bureau of Reclamation's 1988 Hydrologic Determination.

"Evap-Storage Units" refers to the total and individual States portions of evaporation from the major reservoirs constructed under the Colorado River Storage Project Act. These include Flaming Gorge, Curecanti and Glen Canyon.

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NEW MEXICO ANTICIPATED DI	ION SCHEDULE						February .=102		
Year	1990	2000	2010	2020	2030	2040	2050	2060	
CURRENT DEPLETIONS (1) Agricultural- Irrig. & Stock (rounded)	246	248	24R	248	246	248	246	245	
Navajo Irrigation: NIIP	149.4	149.4	149.4	149.4	149.4	149.4	149,4	149.4	
Fruitiond-Cambridge	7.9	7.9	7.9	7.9	7.9	7.9	7.9	7.9	
Hogback-Cudei Chaco River	13.0 3.1	13.0 3.1	13.0 3.1	13.0 3.1	13.0 3.1	13,0 3,1	13.0 3.1	13.0 3.1	
Crystal Navajo Irrigation Subtotal	0,3 173.7	0.3 173.7	0.3 173.7	0.3 173.7	0.3 173.7	0.3 173.7	0.3 173.7	0.3 173.7	
Non-Indian Irrigation:									
Above Navajo Dam (Inc. Jicarilla) Upper San Juan	1.3 8.2	1.3 5.2	1.3 8.2	1.3 8.2	1.7 8.2	1.7 6.2	1,7 8.2	1.7 8.2	
Hammond Animas	9.2 31.7	9.2	9.2	9.2	9.2	9.2	9.2	9.2	
La Plata	5.1	31.7 5.1	31.7 5.1	31.7 5.1	31.7 5.1	31.7 5.1	31.7 5.1	31.7 5.1	
Farmers Mutual Ditch	8.7	8.7	8.7	8.7	8.7	8.7	8.7	8.7	
Westwater Jewett Valley	0.1 2.8	0.1 2.8	0.1 2.8	0.1 2.8	0.1 2.8	0.1 2.8	0.1 2.8	0.1 2.B	
Chaco River Non-Indian Infgation Subtotal	0.7 67.8	0.7 67.8	0.7 67.8	0,7 87.8	0.7 68.2	0.7 68.2	0.7 68.2	0.7 68.2	
Stockpond Evap and Stock	4.3	4.3	4,3	4.3	4.3	4,3	4,3	4.3	
Ag Irrig. & Stock Yotal	245.8	245.8	245,8	245.8	245,2	246.2	248.2	246.2	
Municipal/Domestic (rounded)	10	10	10	10	10	10	10	10	
Municipal and Industrial	8.9	8.9	5.9	5.9	8.9	8.9	8.9	8.9	
Scattered Rural Dom. (inc. Jicarilla Municipal/Domestic Total		1,4	1,4 10,3	1,4 10.3	1.5 10.4	1.5 10.4	1,6 10,5	1.8 10.5	
Power/industrial (rounded)	56	58	56	57	58	58	58	58	
PNM - Navajo Reservoir supply (2)	16.2	16.2	16.2	16.2					
Utah International, Inc. lease to PN	M 37,0	37.0	37.0	38.0	16.2 39.0	16.2 39.0	16.2 39.0	16.2 39.0	
Bioomfield Industrial Power/Industrial Total	2.5 55.7	2.5 55.7	2.5 55.7	2.5 56.7	2.5 57.7	2.5 57.7	2.5 57.7	2.5 57.7	
Minerals Export - San Juan-Chama Project	0 108	0	0	0	0	0	0	0	
Reservoir Evaporation (rounded)	29	29	29	28	28	28	28	28	
Navajo Reservoir Evap	28.3	28.3	27.5	27.0	27.0	27.0	27.0	27.0	
Small Reservoir Evap Reservoir Evaporation Total	1.2 29.5	1.2 29.5	1.2 28.7	1.2 28.2	1.2 28.2	1.2 28.2	1.2 28.2	1.2 28.2	
TOTAL CURRENT DEPLETIONS	449	449	449	449	450	450	450	450	
ANTICIPATED DEPLETIONS									
Agricultural- (rrig. & Stock (rounded)	0	0	90	110	110	110	110	110	
NIIP Completion (3) Fruittand/Hogback Rehabilitation	0.0 0.0	0.0 0.0	90.0 0.0	104.6 5.0	104.6 5.0	104.6 5.0	104,6 5.0	104.6 5.0	
Ag Irrig. & Stock Total	0.0	0.0	90.0	109.6	109.6	109.6	109.6	109.6	
Municipal/Domestic (rounded)	0	1	10	14	15	15	15	15	
Animas-La Piala: SJWC (4)	0.0	1.0	10.4	10.4	10.4	10.4	10.4	10.4	
Navajo	0.0	0,0	0.0	2.0	2.3	2.3	2.3	2.3	
LPCD Ridges Basin Reservoir Evap	0.0 0.0	0.0 0.0	0.0 0.0	0.8 0,1	0.8 0.1	0.8 0.1	0.5 0.1	0.8 0.1	
Animas-La Plata Subtotal	0.0	1.0	10.4	13.3	13.6	13.6	13.6	13.6	
Jicarilla (5)	0.0	0.0	0.0	0.8	1.4	1.8	1.8	1.8	
Municipal/Domestic Subtotal	0,0	1.0	10.4	14,1	15.0	15.4	15,4	15.4	
Power/Industrial (Jicarilla) Minerals	0	0	0.	0	0	0	0	0	
Export	Ó	0	Q.	0	0	Ó	0	0	
Reservoir Evaporation	0	0	0	0	0	0	0	0	
TOTAL ANTICIPATED DEPLETIONS	449	450	549	573	575	575	575	575	
POTENTIAL DEPLETIONS Agricultural- Irrig, & Stock	0	0	a	0	0	0	0	0	
Municipal/Domestic (NGP- Navajo)	ō	ŏ	ŏ	8	10	12	12	12	
Power/Industrial (rounded)	0	0	1	1	1	1	1	1	
Navajo/Gallup - NAPI	0.0	0.0	0.0	0.7	0.7	0.7	0.7	0.7	
Navajo Fry Factory Small Navajo Res. Contracts	0.0 0.0	0.0 0.0	0.5 0.1	0.5 0.1	0.5 0.1	0.5 0.1	0.5 0.1	0.5 0.1	
Powerfindustrial Subtotal	0.0	0.0	0.6	1.3	1.3	1,3	1.3	1.3	
Minerals	0	0	0	0	0	0	0	0	
Export - Navajo/Gallup (rounded)	0	0	0	6	9	13	13	13	
Gallup (lease from Jicarilla)	0.0	0.0	0.0	3.5	5.0	7,5	7.5	7.5	
Navajo Ir. NM . Export Subtotal	0,0 0.0	0.0 0.0	0.0 0.0	2.0 5.5	4.0 9.0	5.6 13.1	5.6 13.1	5.6 13.1	
Reservoir Evaporation	0	0	0	0	0	0	0	0	
TOTAL POTENTIAL DEPLETIONS	0	0	1	13	20	26	26	26	
Summary of Depletions Evap- CRSP Storage Units	449 58	450 58	550 58	586 58	595	601	601 58	601 58	
TOTAL DEPLETIONS	507	508	608	644	58 653	58 659	659	659	
State Share of 6,0 MAF (6) Remaining Available (6,7)	669 1 <b>6</b> 2	669 161	669 61	669 25	669 16	669 10	569 10	669 10	
Percent of State Share	24%	24%	9%	4%	2%	1%	1%	1%	

<sup>(1)</sup> Does not reflect post-1965 transfers from irrigation to municipal and Industrial uses. 800 a-f of current non-Indian depletions supplied through short-term leases from Jicarilla as of 2001.

(2) PNM contract with Secretary expires 2005; PNM subcontract with Jicarilla effective 2006-2027, with commitment to negotiate in 2020 for a subcontract extension.

(3) Total NIIP depletion by 2020 is 254,000 a-f, assuming 5% average fallow acreage.

(4) SJN/C member entities in 2000 used direct flow of Animas Rr. et under ALP permits.

(5) Jicarilla may use 1,200 a-f through Navajo/Galtup Project on south part of reservation.

(6) Does not include salvage by use.

(7) Reserved for settlements.

NOTE: This is a schedule of anticipated depletions for planning purposes only. It is not a tabulation or determination of water rights.

UCRC Memos on 1987 HD



BIVER COMMISSION Compact Adm

UPPER COLORADO RIVER COMMISSION

87 NOU 2 AM 11 B& South Fourth East Street

Salt Lake City, Utah 84111

SANTA FE NEW MEXIGOTOBER 27, 1987

#### MEMORANDUM

TO:

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Upper Colorado River Commissioners and Advisers

FROM:

Gerald R. Zimmerman, Executive Director

SUBJECT:

Draft 1987 Navajo Hydrologic Determination

During its Adjourned Annual Meeting held in Denver, Colorado on October 22, 1987, the Upper Colorado River Commission adopted a Resolution regarding the "Proposed 'Hydrologic Determination, 1987--Water Availability from Navajo Reservoir and the Upper Colorado River Basin for Use in New Mexico.'"

In accordance with the Commission's adopted Resolution, I transmitted a certified copy of the Resolution to Mr. Clifford I. Barrett, the Regional Director of the Bureau of Reclamation, on October 26, 1987. A copy of the material I sent to Mr. Barrett is enclosed for your information and use.

If you feel that I should make a further distribution of this Resolution at this time, please contact me.



#### UPPER COLORADO RIVER COMMISSION

355 South Fourth East Street Salt Lake City, Utah 84111 October 26, 1987

Mr. Clifford I. Barrett Regional Director Upper Colorado Region U. S. Bureau of Reclamation P. O. Box 15628 Salt Lake City, Utah 84147

Dear Cliff:

During its Adjourned Annual Meeting held in Denver, Colorado on October 22, 1987, the Upper Colorado River Commission adopted a Resolution regarding the "Proposed 'Hydrologic Determination, 1987--Water Availability from Navajo Reservoir and the Upper Colorado River Basin for Use in New Mexico.'"

Enclosed for your use and information is a copy of the Resolution regarding the draft 1987 "Hydrologic Determination" that was adopted by the Commission on October 22nd. The Upper Colorado River Commission appreciates the opportunity to consider the draft "Hydrologic Determination" and would like to be kept advised of further consideration of the "Hydrologic Determination" by the Bureau of Reclamation, the Department of the Interior, the United States Congress, and others.

Very truly yours,

Gerald R. Zimmerman Executive Director

GRZ:hiw

Enclosure

#### RESOLUTION

#### of the

#### UPPER COLORADO RIVER COMMISSION

Re: Proposed "Hydrologic Determination, 1987--Water Availability from Navajo Reservoir and the Upper Colorado River Basin for Use in New Mexico"

WHEREAS, the Upper Colorado River Commission supports water resource development in the Upper Colorado River Basin to enable the Upper Division States to fully develop their compact apportionments of Colorado River water while meeting their compact water delivery requirements at Lee Ferry; and

WHEREAS, it is the position of the Upper Colorado River Commission and the Upper Division States that, with the delivery at Lee Ferry of 75 million acre-feet of water in each period of ten consecutive years, the water supply available in the Colorado River System below Lee Ferry is sufficient to meet the apportionments to the Lower Basin provided for in Article III (a) and (b) of the Colorado River Compact and the entire Mexican Treaty delivery obligation; and

WHEREAS, it is the understanding and expectation of the Upper Colorado River Commission and the Upper Division States that appropriate authorities will take all actions necessary to ensure that all States have access to their respective apportionments as specified in the Upper Colorado River Basin Compact; and

WHEREAS, the Commission resolved at its Special Meeting in Denver, Colorado on June 2, 1987 that it ". . . would not object to a determination by the Bureau [of Reclamation] that the Upper Basin yield is at least 6.0 million acre feet annually, rather than 5.8 million acre feet as previously determined":

NOW, THEREFORE, BE IT RESOLVED by the Upper Colorado River Commission at its Adjourned Annual Meeting in Denver, Colorado, on October 22, 1987, that while the Commission does not endorse the projected Upper Basin depletions, study assumptions, or analytical methodologies set forth in the proposed "Hydrologic Determination, 1987--Water Availability from Navajo Reservoir and the Upper Colorado River Basin for Use in New Mexico," and while it specifically disagrees with the assumption of a minimum Upper Basin delivery of 8.23 million acre-feet annually at Lee Ferry, the Commission does not object to a determination by the Secretary of the Interior that 94,500 acre-feet annually, in addition to the amount to be contracted for the San Juan-Chama Project, the Hammond Project, and the Navajo Indian Irrigation Project, are reasonably likely to be available for contract from the Navajo Reservoir supply for use in New Mexico without causing New Mexico to exceed its compact apportionment of Colorado River System water.

BE IT FURTHER RESOLVED, that the Commission asks that all long-term municipal and industrial water service contracts for water in Navajo Reservoir entered into upon the basis of the subject determination: (1) extend no later than through the year 2039, (2) specify that in the event curtailment of use of water by the States of the Upper Division shall become necessary at any time in order that the flow at Lee Ferry will not be depleted below that required by Article III of the Colorado River Compact, such curtailment shall be determined as specified in Article IV of the Upper Colorado River Basin Compact, and (3) specify that such contracts will be treated in accordance with New Mexico's doctrine of prior appropriation and are subject to the Upper Colorado River Basin Compact.

BE IT FURTHER RESOLVED that the Commission reaches no conclusion at this time on the interpretation and application of Article III(b)(3) of the Upper Colorado River Basin Compact because the Commission believes that New Mexico will be within its compact entitlement based on the position set forth in the second "WHEREAS" clause hereof.

BE IT FURTHER RESOLVED, that this resolution be transmitted to the Regional Director, Upper Colorado Region, Bureau of Reclamation, Salt Lake City, Utah, and, as appropriate, to other Federal, State, and Congressional officials who may consider this "Hydrologic Determination."

#### CERTIFICATE

I, GERALD R. ZIMMERMAN, Executive Director and Secretary of the Upper Colorado River Commission, do hereby certify that the above Resolution was adopted by the Upper Colorado River Commission at an Adjourned Annual Meeting held in Denver, Colorado on October 22, 1987.

WITNESS my hand this 23rd day of October, 1987.

GERALD R. ZIMMERMAN

Executive Director and Secretary