ATTACHMENT E

Letter from Rick Gold to Honorables
Kelsey A. Begaye and John Peña
United States Department of the Interior

BUREAU OF RECLAMATION
Upper Colorado Regional Office
125 South State Street, Room 6107
Salt Lake City, Utah 84138-1102

JUN 1 3 2001

We refer to:

UC-443
WTR-4.00

Kelsey A. Begaye, President
The Navajo Nation
P.O. Box 9000
Window Rock, AZ 86515

John Pena, Mayor
The City of Gallup
P.O. Box 1270
Gallup, NM 87301

Subject: Requests for Contracts from Navajo Reservoir Water Supply

Dear President Begaye and Mayor Pena:

Thank you for your letter of November 22, 2000, to the Commissioner of Reclamation, requesting the subject contracts for the Navajo-Gallup Water Supply Project (Project). The Commissioner responded by letter of December 26, 2000, offering full support of the Project and Reclamation's assistance in the resolution of contract issues.

Prior to pursuing the water supply contracts, which are crucial for project authorization and development, we have identified the following unresolved issues which must be addressed:

1. Hydrologic Determination of water availability
2. Endangered Species Act compliance
3. National Environmental Policy Act (NEPA) compliance for the contracts and Project
4. Colorado River Basin Issues in New Mexico and Arizona
5. Congressional Authorization of the Project
6. Congressional Approval of Long-term Contracts from Navajo Reservoir

To address these issues, Reclamation desires to enter into a Memorandum of Understanding (MOU) with the Nation and City to describe and establish the responsibilities and required commitments for each organization (Reclamation, Nation and City). It may be desirable to include the Jicarilla Apache Nation (Jicarillas) in the MOU, as your Nation's and City's May 16, 2001, response to the Jicarillas, indicates the potential to use their water supplies.

To expedite development of the MOU, with a target completion this fall, each involved organization needs to designate a representative, capable of establishing acceptable organizational responsibilities and commitments. Please relay, by July 1, 2001, the name, telephone number and any other pertinent information of your designated representative to either of the Reclamation contacts given below.
Reclamation understands the urgency and importance of this Project and is committed and willing to assist in its realization. Please contact Carol DeAngelis, Area Manager of the Western Colorado Area Office at (970) 248-0690 or Rege Leach of the Western Colorado Area Office in Durango at (970) 385-6553, concerning this issue.

Sincerely,

Rick L. Gold

Rick L. Gold
Regional Director

Enclosure

cc: (all with enclosures)

Philip Mutz
New Mexico Interstate Stream Commission
PO Box 25102
Santa Fe, New Mexico 87504-5102

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State of New Mexico
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Natural Resources Department
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John Cawley (BIA 340)
Bureau of Indian Affairs
PO Box 26567
Albuquerque NM 87125-6567

bc: Area Manager, Grand Junction, Colorado (without enclosures)
   Attention: WCG-CDeAngelis

Western Colorado Area Office, Durango, Colorado (without enclosures)
   Attention: WCD-RLeach

UC-406 (with enclosures)