



ATTACHMENT G

Letter from Honorables Kelsey A. Begaye
and John Peña to Commissioner of the
Bureau of Reclamation



THE NAVAJO NATION

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HON. KELSEY A. BEGAYE
PRESIDENT

HON. JOHN PEÑA
MAYOR

November 22, 2000

Eluid Martinez, Commissioner
Bureau of Reclamation
U.S. Department of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Re: Request for Contracts from Navajo Reservoir Water Supply

Dear Commissioner Martinez:

As you are aware, the Navajo Nation and the City of Gallup are collaborating on a joint effort to evaluate the feasibility of, and hopefully construct, a waterline from the San Juan River that would deliver municipal water to Navajo communities in northwest New Mexico and northeast Arizona and to the City of Gallup, New Mexico ("Navajo-Gallup Water Supply Project" or "the Project"). One of the critical elements of the on-going analysis concerns the identification of a water supply for the Project. By this letter we are requesting the Bureau of Reclamation to begin the contract process that would provide a water supply for the Project from Navajo Reservoir in the amount of 36,600 acre-feet for fifty (50) years. Specifically, we are requesting two fifty (50) year contracts, one for the Navajo Nation in the amount of 29,300 acre-feet per year and one for the City of Gallup in the amount of 7,500 acre-feet per year.

The Navajo Nation is currently in negotiations with the State of New Mexico concerning its ultimate water right entitlement in the San Juan River Basin. It is too early to speculate as to the quantities of water that a Navajo settlement might contain; however, both parties have expressed support for a settlement that includes a water supply for the Navajo-Gallup Water Supply Project. Based on the 1988 Hydrologic Determination, as refined by the Year 2000 depletion calculations, the State of New Mexico believes there is sufficient unused water in the apportionments to the Upper Colorado River Basin states that could provide a supply for the Project for at least the next fifty (50) years. The 1988 Hydrologic Determination provides an analysis of water availability through the year 2039. We believe it would be prudent, and acceptable to the Upper Basin states, to extend the 1988 Hydrologic Determination for an additional twenty (20) years. The unused apportionment in the Upper Basin should be sufficient to provide the water necessary for the Project for at least fifty (50) years.

Representatives of the Navajo Nation and the City of Gallup have had preliminary discussions with Reclamation staff concerning the proposed contracts. We believe that contracts can be authorized with various conditions that protect the existing contracts for water supplies from Navajo Reservoir and the endangered species in the San Juan River. For example, the water supply for these contracts could be conditioned upon the unused apportionments being available in the Upper Basin. Should water development occur at a faster pace than predicted in the 1988 Hydrologic Determination, the Navajo Nation and the City of Gallup would have to look elsewhere for a water supply. One possible source might be to lease water from the Jicarilla Apache Tribe.

Similarly, with respect to the protection of endangered fish species, the contract should condition the delivery of water on compliance with the Endangered Species Act and other environmental requirements. We are hopeful that the current efforts to refine the hydrologic modeling will yield additional depletions from the San Juan River for the Project. If additional depletions are not forthcoming, the Project may be forced to work with other water users to develop a depletion schedule that is consistent with the flow recommendations adopted by the San Juan River Recovery Implementation Program. Other water users may be willing to forbear their depletions during the times the water is needed for endangered species. We believe there is sufficient flexibility in the San Juan River system to protect the endangered species while moving forward with much needed water development such as the Navajo-Gallup Water Supply Project.

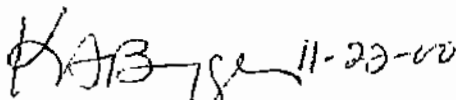
Mr. Commissioner, we have a limited window of opportunity to accomplish these objectives. The identification of the water supply for the project is the single most time-critical element in the preparation of the draft Environmental Impact Statement for the Project. By copy of this letter to the Western Colorado Area Office, we are evincing our intent to work collaboratively with your staff to achieve the objectives set forth in this letter. We also recognize that it will be necessary to work with the Fish and Wildlife Service to ensure that depletions made pursuant to these contracts are consistent with the flow regimes necessary to protect the endangered fish species.

We understand that you may be in Las Vegas in December for the Colorado River Water Users Association annual meeting. We know that significant demands will be placed on your time; however, we would greatly appreciate the opportunity to have our representatives provide you with a briefing at that time. Please let us know when we could meet with you at your earliest possible convenience to discuss this matter.

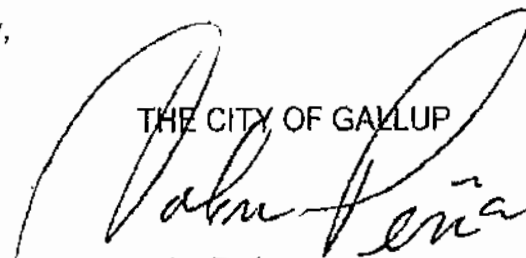
Thank you for your anticipated cooperation.

Sincerely,

THE NAVAJO NATION


Kelsey A. Begaye
President

THE CITY OF GALLUP


John Peña
Mayor

xc: Carol DeAngelis
Western Colorado Area Office, Bureau of Reclamation

Philip Mutz
New Mexico Interstate Stream Commission

Joy Nicholopoulos
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