

**NAVAJO-GALLUP WATER SUPPLY PROJECT
PROJECT CONSTRUCTION COMMITTEE MEETING NO. 70 and
PROJECT OPERATIONS COMMITTEE MEETING
Thursday, January 29, 9:00 AM
In-Person at El Morro Event Center, Gallup, NM, and via MS-Teams**

SUMMARY

1. Review and approve agenda (Reclamation)
2. Review Previous PCC Meeting Summary (Reclamation)
3. Review of PCC Action Item List (Reclamation)
4. Other Related Navajo-San Juan NM Settlement Issues (BIA/Navajo Nation)
 - a. Conjunctive Groundwater Use Plan
 - b. San Juan River Navajo Irrigation Projects
 - c. **CONSTRUCTION/CONTRACT UPDATE**
5. General Reclamation Updates
6. Pumping Plants No. 4 and 7 (Reclamation)
7. Navajo Code Talkers Sublateral (Reaches 12.1/12.2) (Reclamation)
8. Pumping Plants No. 2 and 3 (Reclamation)
9. Block 4A/4B (Reclamation)
10. SJLWTP (Reclamation)
11. Reach 1 Pipeline Modifications (Reclamation)
12. Pumping Plant 1 (Reclamation)
13. Information Sharing/Public Outreach (Reclamation)
 - a. USBR to send Water Report to PCC
14. Reach 27.12 Cipriano Waterline Extension (Gallup)
 - a. Contractor = DUB-L-EE Inc
 - b. Construction started Oct 10, 2025. 60% of work completed as of mid-January 2026. Construction completion is expected mid-February 2026.
15. Reach 13 SCADA/Fiber Optics (Gallup)
 - a. Proposals received 12/18/2025.
 - b. The CoG has selected a team to review the SCADA Proposal and make a selection. A meeting and selection date has not yet been determined.
 - c. Targeting coming online with the SJLWTP SCADA work.
16. Reach 10.1.1 (Navajo Nation/SMA)
 - a. See slides
17. Reach 14.1 and 14.2 (Indian Health Service)
 - a. Building tanks and boring gas line and wash crossings. The welding and assembly of the truck tank are essentially completed, with painting yet to occur.
 - b. Construction of booster station started January 5, 2026. The underground earthwork compaction and the inlet and outlet pipes for the booster station are being fabricated, fully welded, and sandblasted.
 - c. Pipeline work for Reach 14.2 started this week, beginning from the East End, with about a mile of pipeline running through an existing housing area. Potholes have been completed to identify existing connections for the 12-inch line.

- d. Carrier pipes for gas line crossings have been placed, and HDPE installation in three wash crossings has been completed.

SAN JUAN LATERAL- ISSUES / DESIGN UPDATE

18. S. 637/ H.R. 1482 - Navajo-Gallup Amendments (Navajo Nation/City of Gallup)

- a. H.R. 6938 included the following:
 - i. Ceiling increase to \$1.815 billion (\$175 million increase)
 - ii. City of Gallup repayment cap at \$76 million
- b. NGWSP Amendments are still pending in Congress and will continue to be pursued by the Navajo Nation as they include technical changes that will be beneficial to the project.

19. Reach 1 – Status/Schedule (Reclamation)

- a. Intake Pumping Plant
 - i. Solicitation issued 9/25/2025; bids received 1/16/2026
 - ii. TPEC - January 2026
 - iii. Award ETA – April 3, 2026
 - iv. Construction start ETA - June 2026
 - v. Physical Model Report Presentation
 - 1. USBR will share Physical Model Study
- b. Bypass Tank & Reservoir Draining
 - i. Performance Specs for temporary infrastructure / O&M
 - ii. Internal Review held 12/11/2025
 - iii. Solicitation (sole source contract) 5/15/2026
 - iv. Award 8/18/2026
 - v. Construction October-December 2026
 - vi. Reservoir draining January 1, 2027- March 1, 2027
- c. Frank Chee Willetto Reservoir/Dam
 - i. 30% Design Feb 2026
 - ii. 60% Design August 2026
 - iii. 90% Design November 2026
 - iv. Review C Early 2027
 - v. Award ETA September 2027
 - vi. Construction start ETA - November 2027

20. Block 2-3 – Status/Schedule (Reclamation)

- a. Horizontal Directional Drilling
 - i. NN GLDD issued a TCE instead of ROW – corrections being made
 - ii. ROW approval by BIA will follow
 - iii. Solicitation Nov 17, 2025
 - iv. Bids due on 2/25/2026
 - v. Award expected May 20, 2026
- b. Open Trench Pipeline
 - i. 90% design completed and circulated
 - ii. 100 % design expected 3/27/2026
 - iii. Review C – December 1-5, 2025
 - iv. NN GLDD issued a TCE instead of ROW – corrections being made
 - v. Solicitation expected 04/10/2026
 - vi. Award expected 09/16/2026
 - vii. Contributed Funds Act Agreement needs Navajo Nation signature

21. San Juan Lateral Water Treatment Plant (Reclamation/Jacobs)

- a. 100% design expected 02/20/2026

- b. SJL Integration coordination ongoing
 - c. Enhancements modification execution pending the execution of the Contributed Funds Act Agreement
- 22. Shiprock Connection (Reclamation)
 - a. Design is expected to start February 2026.
 - b. MVC Survey on new proposed alignment is set for the Spring 2026.
- 23. Reach 27.12 (City of Gallup) -
 - a. ROW is in process and some additional information has been received.
 - b. Expect 100% design package by the end of Jan 2026
- 24. Pumping Plant #8 (City of Gallup)
 - a. Reclamation received 30% design package and FCCO completed the review.
 - b. 60% design expected in July 2026
 - c. ROW is in process
 - d. Design is going to be more expensive than expected due to regulatory requirements.
- 25. Tohlokai Pumping Plant
 - a. Interim Groundwater Delivery from Twin Lakes Well (Navajo Nation/USBR/City of Gallup)
 - i. Too difficult to take water seasonally so this no longer needs to be included on the agenda.
- 26. Navajo Financial Assistance Agreement – Status/Schedule (Navajo Nation/SMA)
 - a. BBN9 Crownpoint
 - i. Reach 10.1.1 – scheduled for completion in early 2026.
 - ii. Reach 10.2.1 - pending the start of construction. NECA needs contract approved through NN 164 process. BOR NTP has been provided. Construction to start early spring-2026.
 - iii. Reaches 10.1, 10.2 and 10.3 – Bids have been received. Pending confirmation of Cultural clearances, NECA construction estimate, Reclamation Notice to Proceed is with the Grants Officer for approval and signature prior to emailing document to the Navajo Nation President. Construction is planned to begin in 2026.
 - iv. Reach 10.3.1 – Pending BIA ROW. 100 percent design submitted Dec 2025.
 - b. Reach 12.3 Window Rock
 - i. Reach 12.3 – Continuation of Code Talker. Alignment being determined. There will be several connections.
 - ii. 6,411 is still the design for Reach 12.3. PIN 22.4 will govern once it is signed and replaces 22.3.
 - c. 24.1 Lybrook
 - i. 24.1 Lybrook – Pending 90 percent design. Final package will be submitted in January 2026. BLM ROW is pending.
 - d. Reaches 14.6a, 14.7a, 14.8a
 - i. Navajo Nation sent a formal letter to Reclamation on 12/2/25 to have this work performed under an FAA.
 - ii. The Navajo Nation and SMA have indicated that the work can be completed by the 2029 Project completion date but construction of reaches that are not completed can be included in a deferred construction agreement if necessary.
 - iii. Grants regional staff has approved the incorporation of this project into the BBN9 FAA R18AC00045.
 - iv. Currently working on the modification to move these reaches into the BBN9 FAA.
- 27. San Juan Lateral Turnouts and Community Connections
 - i. Sanostee
 - 1. Turnout Facility – 30% design complete.
 - 2. Community Connection – 60% design completed, 90% expected in Feb 2026.
 - ii. Newcomb
 - 1. Turnout Facility – 30% design complete.
 - 2. Community Connection – 30% design Nov 2025

- iii. Naschitti
 - 1. Turnout facility – 30% design complete
 - 2. Community Connection - 100 percent design completed. Under construction and nearly 90% complete.
- iv. Tohatchi/Mexican Springs
 - 1. Turnout – Complete. Constructed as a part of PP7.
 - 2. Community Connection – 60% design submitted in Jan 15, 2026.
- v. Crownpoint 10.1
 - 1. Turnout Facility – 30% design complete
 - 2. Community Connection – construction is planned for 2026.
- vi. Coyote Canyon (10.1.1)
 - 1. Turnout Facility – 90% design expected in January or February 2026.
 - 2. Community Connection – Under construction. Construction is expected to be completed in early 2026.
- vii. Sheep Springs
 - 1. Turnout – Complete. Constructed as part of PP4.
 - 2. Community Connection -
- viii. Rock Springs
 - 1. Turnout Facility – 30% design complete.
 - 2. Community Connection – 30% design package expected summer 2026.
- ix. Window Rock (12.3)
 - 1. Turnout Facility – 30% design complete.
 - 2. Community Connection – R12.3 alignment finalization is in progress.

CUTTER LATERAL

28. OM&R Update (Reclamation/NTUA/Navajo Nation)

- a. O&M Waiver
 - i. Cutter's waiver was extended through 06-Oct-2026 to allow for the completion of the Ability to Pay Study.
 - ii. Years 2 and 3 true-ups are in progress
 - iii. Outcomes from the true-ups will be reflected in the advance request for year 4.
- b. Operations – General
 - i. WTP production averaged 307,000 gpd for this past quarter, a 29% decrease over last quarter. December's daily average was 271,000 gpd for the low month of the year. The annual increase from 2024 is 7-1/2%.
 - ii. Annual NTUA inspection deficiency corrections:
 - iii. Biennial NMED inspections moved to triennial, next due in 2027.
 - iv. Reclamation has agreed to reevaluate the erosion controls designs for PP1.
- c. Water Regulatory/Quality
 - i. ACH conversion was completed in late October, beginning with a 30 mg/l dosage rate. The plant experienced an increase in filter backwash frequency. Dosage rates were reviewed and changed to 18 mg/l without affecting TOC removal rates or turbidity. Backwash frequencies are expected to drop.
 - ii. The groundwater discharge permit was issued at the beginning of last quarter.
- d. Area Wide Optimization Program (AWOP) - (NTUA)
 - i. Operators continue submitting monthly AWOP data and remain available for focus discussions. AWOP goals for the most part, if not always, are being met.
- e. Water Treatment & Conveyance Contract (Jicarilla/NTUA)
 - i. Initial comments were provided to the cost of services contractor. Additional financial data was requested and are being provided. Changes to the ERF, RRF, and water sales rate are expected.
 - ii. Jicarilla was invoiced for the 2026 annual fixed OM&R reimbursement. NTUA is processing an internal funds transfer request to fund its allocation of the 2026 annual fixed OM&R. This includes Reclamation's contribution as authorized by the OM&R waiver.
 - iii. NTUA to send draft Cost of Services Study to Jicarilla and NMISC
- f. NTUA Liaison FAA: Level 4 Operator (NTUA)

- i. The level 3 NTUA operator continues his orientation and training rotation at Cutter and is beginning to provide support in daily OM&R activities.
- 29. Construction Update (Reclamation/NTUA/Navajo Nation)
 - a. R21/22
 - b. ENWP2/3, R24, R25, R26
 - i. Dump truck and trailer are being ordered. The two pickups were received by the dealer and have been augmented with additional equipment and are awaiting delivery. NTUA has received the SUV. Remaining transfer punch list status by SMA.
 - c. Reach 21 Booster Plant (Reclamation)
 - i. 100% design expected June 5, 2026.
 - ii. ROW application for Booster Plant submitted 12/19/2025 -- in process.
 - iii. ROW application for Regulating 3 will be submitted 1/29/2026.
 - iv. Solicitation Tentatively September 06, 2026.
 - v. Award Tentatively February 7, 2027.

WATER TREATMENT

- 30. Regulatory Coordination (Reclamation)
 - a. Regulatory Workgroup Meeting – next meeting is 2/3/2026 from 2pm-4pm
 - i. Please send agenda items to Jacob Jenzen
- 31. Blending & Corrosion Control - San Juan & Cutter Water Systems (Reclamation)
 - a. Blending study – Coupon tests complete. Report anticipated Spring 2026.
 - b. Pipe study – Operations completed in January 2026 at the CLWTP. Continuing sample analysis. Report anticipated June 2026.
- 32. Disinfection Byproducts - San Juan Water System (Reclamation)
 - a. TSC is updating model for changes to community connections from GDP3/4 and for results from DePauli for impacted communities. Delays in model input information and configuration decisions has delayed schedule. TSC is moving forward with current understanding and information.
 - b. TSC is updating and finalizing draft residence time and DBP formation BOD - will be sent for review in February 2026.
 - c. DBP mitigation strategy document draft and DBP guarantee points expected to be sent for review in March 2026.
 - d. DBP mitigation strategy work completion expected by May 2026.

PROJECT WIDE

- 33. Upcoming PINs / Modified PINs (Reclamation)
 - a. PIN 022.4 – Add Startup Flows for SJLWTP – Will be re-sent for short review
 - b. PIN 034 – SJ Lateral Storage – USBR to revise and send for review
- 34. Cultural Resources Compliance – Project-Wide (Reclamation)
 - a. For Pumping Plant 1 (amended ROW area)
 - i. THPO consultation is complete
 - ii. CRC will need to be prepared after consultation is completed.
 - b. For Intake, FCWR Bypass Tanks, and Block 2-3 (including both the HDDs and pipeline), consultation still needs to be done
 - i. The cultural survey report and site form need to be reviewed by BLM prior to being sent to the SHPO. The report was provided to the BLM archaeologist for review on Nov. 19, 2025. As of Jan. 6, 2026, we have not heard back from BLM. Zac is going to reach out to the BLM and see if he can help get their comments. After they complete their review and any comments they may have are addressed, the SHPO letter can be sent out.
 - ii. CRC will need to be prepared after consultation is completed.

- c. For Reaches 10.1/10.2/10.3
 - i. CRCs have been received.
- d. Annual reporting to all PA signatories - in progress.

35. Environmental – Project-Wide (Reclamation)

- a. Compliance
 - i. Categorical Exclusion (CE) has been drafted for the Reach 1 intake. Cultural compliance needed (SHPO concurrence and CRC), then it can be finalized.
 - ii. Draft PCN for Section 404 permit for Reach 1 intake has been prepared and submitted to USACE on 9/22/25. USACE has not yet reviewed. Plan to officially submit the PCN without prior USACE review once we have SHPO concurrence.
 - iii. CE has been drafted for the FCWR bypass tanks and reservoir draining. Cultural compliance needed (SHPO concurrence and CRC), then it can be finalized. TSC is working on an NPDES permit for draining the reservoir.
 - iv. 2026 MVC pre-construction surveys for Block 2-3 will be completed in spring of 2026.
 - v. NEPA Sufficiency Reviews for the PP1 Amended ROW area and access road improvements, as well as the Block 2-3 HDDs and pipeline have been drafted. Cultural compliance needed (THPO/SHPO concurrence and CRC), then they can be finalized.
 - vi. Final 24.1 Lybrook EA and FONNSI are being made 508 compliant for signature.
 - vii. NEPA Sufficiency Review for the DZ Booster Station, Additional Tank 3, and Erosion Repair has been predominately drafted. Can finalize for signature once it has been reviewed and edits have been made.
 - viii. A contract is being developed for various preconstruction surveys for special status species and additional MVC surveys and monitoring along Blocks 2-3, the Shiprock Connection, and the DZ Booster Station and Tank 3 areas.
 - ix. NEPA Sufficiency Review for the six San Juan Lateral turnouts still requiring compliance has been drafted. Cultural compliance needed (CRC), then it can be finalized.
- b. Revegetation
 - i. Reaches 4A/4B, reseeding in progress.
 - ii. Reaches 4C-8 was completed December 2025. Contractor met with FCCO in the field for inspection.

36. Value Planning Update (Reclamation)

- a. The value planning study will be finalized in spring after the 100% design on Reaches 2 and 3 is completed in March.
- b. The study includes cost estimates for upsizing the raw water supply and modifications for the SJLWTP.
- c. The cost of upsizing for the Shiprock connection will be included in the final report.

37. Power Transmission – San Juan Lateral (NTUA)

- a. PP2&PP3 – Efficiency check 90% complete, GenSets down, transformers placement soon, concrete samples to be taken, PP2 power installation by NTUA, trenching to start soon.
- b. PP4&7 – Completed
- c. SJLWTP – Excavation complete, construction finish by Dec. 2028, power install summer 2026, operational by Dec. 2026.
- d. PP1 – Awarded, new 3-phase power line to be completed by Dec. 2026.
- e. San Juan River Intake & Frank Chee Willetto Reservoir – Will provide power to seepage pumps and rotating screens. Fiber route submitted awaiting approval, NEPA process for river crossing is ongoing.
- f. SJLWTP Regulation Tank – Solicitation in April 2026, award in Aug. 2028.
- g. Turnouts – Staked, locations shifted after constructability meeting, NTUA needs updated drop locations.
- h. Reach 4a/4b – 4 rectifier sites in ROW process.
- i. Reach 4C to 11 – 3 rectifier sites approved, road crossing permits in progress, remaining in ROW process.
- j. Transmission Lines

- i. Cudei to Tohatchi – Construction progress, one side of poles set, 100 poles left, steel corner structures delivery expected Jan. 2026.
 - ii. Tohatchi to Coalmine – Materials delivery ongoing.
 - k. Substations
 - i. Newcomb Substation (Supplies PP3 & PP4) - Enclosure, breakers, feeder drawing submittal received.
 - ii. Tohatchi Substation (Supplies PP 7, BBN9 PPs, and Tohlakai) - Some materials ordered, upgrade control building bid opening held.
 - iii. Nenahnezad Substation (Supplies ½ of SJLWTP and PP1) - Geotech started, working towards 60% design.
 - l. Power Supply Agreements
 - i. WAPA /BOR & NTUA agreement ongoing.
 - m. Renewable Energy Feasibility Study w/NREL (Navajo Nation/WCAO)
 - i. NREL is now NLR -
- 38. SCADA/Cybersecurity (Reclamation)
 - a. Cutter Lateral - FISMA compliance
 - i. No change for IT/physical security upgrade status on WTP. Reclamation drafted statement of objects to complete the upgrades and is soliciting pricing to complete the upgrades. Expect Award May 2026.
 - b. San Juan Lateral - Reach 14 Radio Communications
 - i. Nothing planned currently 14.1/2 – just local controls.
 - ii. USBR to reschedule meetings again and include IHS, NTUA, CoG, TSC, etc.
 - iii. The path has changed based on a completed radio study.
- 39. Budget (Reclamation)
 - a. FY2026 Construction Budget:
 - i. Mandatory - \$120,000,000 (authorized but not funded)
 - ii. Discretionary - \$55,000,000
 - iii. Carry over - \$265,000,000
 - b. City of Gallup Credit Request Status
 - c. 2nd Quarter FY2026 Bills
 - i. On hold following authorization of City of Gallup repayment ceiling
- 40. Project Water Rights (Navajo Nation/DOI Office of the Solicitor)
 - a. Project Diversion Permit from the State of New Mexico
- 41. OM&R Forecast (Reclamation)
 - a. Framework meetings with Navajo Nation, NTUA, and City of Gallup ongoing to facilitate update to 2021 Wood SJL draft OM&R forecast, Reclamation will provide updated PIN for flow rates, comparison to WCE, and any design changes since 2021 that will affect OM&R forecasted costs. Reclamation planning a TSC peer review of final forecast.
- 42. Action items and assignments (Reclamation)
- 43. Schedule next PCC meeting – April 30, 2026 – in-person with virtual option