

**NAVAJO-GALLUP WATER SUPPLY PROJECT
PROJECT CONSTRUCTION COMMITTEE MEETING NO. 72 and
PROJECT OPERATIONS COMMITTEE MEETING
Thursday, July 30, 2026, 9:00 AM
In-Person at NTUA Headquarters, Ft. Defiance, AZ, and via MS-Teams**

SUMMARY

- Review and approve agenda (Reclamation)
- Review Previous PCC Meeting Summary (Reclamation)
- Review of PCC Action Item List (Reclamation)
 - a. USBR – send email requesting committee member from each participant to come up with ideas for the tribute garden
 - b. USBR – review and determine ownership regarding the diversion dam now that the intake survey is complete
 - c. USBR – drafting language for authorization to enter into Deferred Construction Agreements, will begin technical meetings shortly
- Other Related Navajo-San Juan NM Settlement Issues (BIA/Navajo Nation)
 - a. Conjunctive Groundwater Use Plan
 - b. San Juan River Navajo Irrigation Projects

CONSTRUCTION/CONTRACT UPDATE

- General Reclamation Updates
- SJLWTP (Reclamation)
- Reach 1 Pipeline Modifications (Reclamation)
- Pumping Plant 1 (Reclamation)
- San Juan Lateral River Intake Pumping Plant (Reclamation)
- Block 2-3 Horizontal Directional Drilling (Reclamation)
- Information Sharing/Public Outreach (Reclamation)
- Reach 27.12 Cipriano Waterline Extension (Gallup)
- Reach 13 SCADA/Fiber Optics (Gallup)
- Reach 10.1.1 (Navajo Nation/SMA)
- Reach 14.1 and 14.2 (Indian Health Service)
 - a. R14.1
 - i. Original budget at \$14m, ~90% complete; booster 95% complete; pipeline 90% complete; steel tank constructed and being painted
 - ii. R14.1 expected completion by year-end
 - iii. Concerned about painting schedule due to recent rains
 - iv. Will likely stay within original budget
 - b. R14.2 - \$4.8m original budget
 - i. Diameter increased
 - ii. \$2.6m funding increase being processed
 - iii. Expected completion late 2026
 - iv. 11 of 13 wash crossing in place
 - v. 7 of 8 miles of pipe installed
 - vi. Tank is fully welded and installing scaffolding but being impacted by weather
 - vii. Did purchase HDPE for wash crossings plus additional labor

SAN JUAN LATERAL- ISSUES / DESIGN UPDATE

- S. 637/ H.R. 1482 - Navajo-Gallup Amendments (Navajo Nation/City of Gallup)
 - a. No updates. Still receiving the message that this is a top priority.
- Reach 1 – Status/Schedule (Reclamation)
 - a. Bypass Tank & Reservoir Draining
 - i. Performance Specs for temporary infrastructure / O&M
 - 1. Draining FCWR
 - 2. Bypass system
 - 3. Causeway and sediment removal
 - ii. Solicitation (sole source contract) May 2026
 - iii. Award September 2026
 - iv. Will remain operational September 2028
 - b. Frank Chee Willetto Reservoir/Dam
 - i. Constructability Review held July 14-15, 2026
 - ii. 60% Design on target August 2026
 - iii. 90% Design on target November 2026
 - iv. Review C December 2026
 - v. Award ETA September 2027
 - vi. Construction begins in November 2027
- Block 2-3 – Status/Schedule (Reclamation)
 - a. Open Trench Pipeline
 - i. ROW granted in June – Special thanks to Mary Lujan of BIA and Byron Bitsoie and his Team of NN GLDD
 - ii. Bids received and read on 6/30/2026
 - iii. Apparent lowest bidder -- \$71,764,710.00 – Carstensen Contracting, Inc.
 - iv. Award expected no later than 09/16/2026
 - v. Contributed Funds Act Agreement needs Navajo Nation signature
- Shiprock Connection (Reclamation)
 - a. Pipeline from SJLWTP to Shiprock
 - b. Project is on hold Current alignment sought encountered environment challenges -- biologically protected area
 - c. Construction schedule impacted
 - d. Viable Alternate Alignment along N36
 - e. ROW application will be submitted to GLDD once alignment is selected and related plat is finalized.
- Reach 27.12 Pipeline (City of Gallup)
 - a. ROW completed.
 - b. Expect 100% design package received May 12, 2026.
 - c. NTP sent to CoG May 18, 2026.
 - d. IFB expected August 2026. Start construction expected September 2026 and construction completion is expected Summer 2027.
- Pumping Plant #8 (City of Gallup)
 - a. 60% design received June 5, 2026. Comments sent back July 14, 2026. 90% design expected November 2026
 - b. ROW is in process
 - c. Design is going to be more expensive than expected due to regulatory requirements. PIN 046.1 has been sent to project stakeholders for review and comment. Comments due by August 3rd.

- Navajo Financial Assistance Agreement – Status/Schedule (Navajo Nation/SMA)
 - a. BBN9 Crownpoint
 - i. Reach 10.1.1 – scheduled for completion in mid to late -2026.
 - ii. Reach 10.2.1 – NECA contract has been awarded. Kick off meeting took place on April 23, 2026. Construction to start the summer-2026.
 - iii. Reaches 10.1, 10.2 and 10.3 – NECA construction contract is in the Navajo Nation 164 signature process. Construction is planned to begin in 2026.
 - iv. Reach 10.3.1 – Pending BIA ROW. BOR Notice to Proceed pending based on status of BIA ROW.
 - b. Reach 12.3 Window Rock
 - i. Reach 12.3 – Continuation of Code Talker. Alignment is mostly finalized. There will be several connections to local storage tanks in Window Rock.
 - ii. 6,411 acre/feet 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 100 percent design in July 2026. BLM ROW is pending. NEPA and Cultural have been completed.
 - 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 some of 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 have 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.
- San Juan Lateral Turnouts and Community Connections
 - a. PIN 022.4 Discussion
 - i. Sanostee
 - 1. Turnout Facility – 100% design complete.
 - 2. Community Connection – 90% design completed.
 - ii. Newcomb
 - 1. Turnout Facility – 100% design complete.
 - 2. Community Connection – 30% design summer 2026
 - iii. Naschitti
 - 1. Turnout facility – 100% design complete
 - 2. Community Connection - Construction 75% complete.
 - iv. Tohatchi/Mexican Springs
 - 1. Turnout – Complete. Constructed as a part of PP7.
 - 2. Community Connection – 90% design pending.
 - v. Crownpoint 10.1
 - 1. Turnout Facility – 100% design complete
 - 2. Community Connection – construction is planned for 2026. Waiting on 164 process to approve NECA construction contract.
 - vi. Coyote Canyon (10.1.1)
 - 1. Turnout Facility – 100% completed.
 - 2. Community Connection – 95% complete. Construction is expected to be completed in mid-2026.
 - vii. Sheep Springs
 - 1. Turnout – Complete. Constructed as part of PP4.
 - 2. Community Connection – design work summer 2026
 - viii. Twin Lakes
 - 1. Turnout – Needs a samplings port and check valves installed (DePauli)
 - 2. Community Connection – Constructed
 - ix. Rock Springs
 - 1. Turnout Facility – 100% design complete.

2. Community Connection – 30% design package expected summer 2026.
- x. Window Rock (12.3)
 1. Turnout Facility – 100% design complete.
 2. Community Connection – R12.3 alignment is mostly finalized. Archaeological field surveys completed.

CUTTER LATERAL

- OM&R Update (Reclamation/NTUA/Navajo Nation)
 - a. O&M Waiver
 - i. USBR has completed the Ability to Pay study and will be responding to NTUA’s letter.
 - ii. The Ability to Pay study is pending release from Reclamation review.
 - iii. Years 2, 3, and 4 true ups are in progress.
 - iv. Outcomes from the true ups will be reflected in the 5-year cost of services study and the OM&R advance request for year 5.
 - v. 2027 OM&R budget request has been submitted to the NTUA budget committee for approval.
 - vi. The \$1.668M Emergency Reserve Fund is fully funded between Reclamation, Jicarilla, and NTUA.
 - b. Operations – General
 - i. WTP production averaged 327,000 287,000 gpd for this past quarter, a 12% increase over last quarter.
 1. Annual monthly high at 490,000 gpd, July 2025
 2. Annual monthly low at 252,000 gpd, January 2026
 - ii. The IT/physical security level upgrades are pending Reclamation direction.
 - iii. Awaiting NNEPA sanitary survey report. Deficiencies were minimal and are being corrected.
 - iv. PP1’s erosion issues upstream and downstream of the plant are pending evaluation by Reclamation.
 - c. Water Regulatory/Quality
 - i. ACH dosing rates continue to be optimized for turbidity and TOC reduction in the cPWSs.
 - ii. Monitoring well and discharge monitoring reports for the backwash and solids drying beds were submitted to regulators
 - iii. Elevated nitrates are detected in the upstream sampling well. The source is unknown.
 - d. Area Wide Optimization Program (AWOP) - (NTUA)
 - i. Operators continue submitting monthly AWOP data and remain available for focus discussions. AWOP goals are being met for the combined filter effluent.
 - e. NTUA Liaison FAA: Level 4 Operator (NTUA)
 - i. The NTUA operator temporarily assigned to the plant continues with orientation and training. A second operator is pending personnel action for temporary assignment.
- Construction Update (Reclamation/NTUA/Navajo Nation)
 - a. R21/22
 - b. ENWP2/3, R24, R25, R26
 - c. Reach 21 Booster Plant (Reclamation)
 - i. 100% design completed June 16, 2026.
 - ii. ROW application for Booster Plant submitted to GLDD 12/19/2025 – NN consent letter imminent.
 - iii. ROW application for Regulating 3 submitted to GLDD 1/29/2026 -- NN consent letter imminent.
 - iv. Special thanks to Ms. Lenora Bates of BIA for concurrent review
 - v. Solicitation Tentatively November 2026
 - vi. Award Tentatively April 2027
 - vii. Programming and integration of the system will be added to the CLWTP FISMA Contract.

WATER TREATMENT

- **Regulatory Coordination (Reclamation)**
 - a. **Regulatory Workgroup Meeting**
 - i. Discussion about next meeting which was tentatively scheduled for Aug 4
- **Blending & Corrosion Control - San Juan & Cutter Water Systems (Reclamation)**
 - a. Blending study – Coupon tests complete. Report anticipated Fall 2026.
 - b. Pipe study – Operations completed in January 2026 at the CLWTP. Continuing sample analysis. Report anticipated October 2026.
 - c. NNDWR is working with NTUA to put together blending studies for the communities
 - d. Funding has been identified through the Conjunctive Well Water program
- **Disinfection Byproducts - San Juan Water System (Reclamation)**
 - a. SJL Phase II Simulated Distribution test technical memorandum is published (controlled)
 - b. Residence time and DBP formation modeling Basis of Design report is in review by stakeholder group
 - c. DBP mitigation strategy report is in progress, expected Q2 2027
 - d. Lack of authority for DBP mitigation in consecutive water systems

PROJECT WIDE

- **Upcoming PINs / Modified PINs (Reclamation)**
 - a. PIN 022.4 – Add Startup Flows for SJLWTP – Final internal review being completed.
 - b. PIN 034 – SJ Lateral Storage – USBR to revise and send for review
 - c. PIN 046.1 – CoG PP#8 revised design and construction –
 - i. USBR sent to project participants on Jul 14 for review.
 - ii. Please provide feedback by Aug 3.
 - d. PIN 052 – Consolidated Cost Allocation Determinations – draft begun
- **Cultural Resources Compliance – Project-Wide (Reclamation)**
 - a. CRCs have been received for Block 2-3 (including both the HDDs and pipeline) and the six San Juan Lateral turnouts. Reclamation is working on awarding a contract for required cultural monitoring in specific locations along Block 2-3 and at one of the San Juan Lateral turnouts.
 - b. Annual reporting to all PA signatories - in progress.
- **Environmental – Project-Wide (Reclamation)**
 - a. **Compliance**
 - i. Categorical Exclusions (CE) has been signed for the Intake and FCWR bypass tanks.
 - ii. 2026 MVC pre-construction surveys for Block 2-3 were conducted during the blooming period. A MVC survey and general bio survey was completed on the Shiprock Connection alignment in spring of 2026.
 - iii. NEPA Sufficiency Review for Blocks 2-3 and the six San Juan Lateral turnouts have been signed.
 - iv. A contractor has been performing 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.
 - v. NEPA Sufficiency Review for the Iyanbito Tank Pipeline has been signed.
 - vi. A Draft EA is mostly drafted for Reaches 14.6a, 14.7a, and 14.8a. Once ROW acquisition on a parcel of private land is more certain, the project description can be finalized, and the EA can go out for public comment.
 - b. **Revegetation**
 - i. Reaches 4A/4B reseeding has been completed.
- **Value Planning Update (Reclamation)**
 - a. The value planning study draft will be finalized and USBR will distribute the draft

- **Contracts and Agreements (Reclamation)**
 - a. Power Supply Contract (Reclamation/WAPA/NTUA): Near completion; awaiting final review on exhibits from WAPA and NTUA.
 - b. SJL OM&R contract (Reclamation/NTUA/Navajo Nation): Initial draft shared with Navajo Nation/NTUA and initial technical meeting scheduled for 8/7/26 at 2PM.
 - c. SJL Water Treatment and Conveyance Contract (NTUA/Navajo Nation/City of Gallup): NTUA (DS) to schedule initial technical meeting; will require Reclamation Area Manager approval and signature due to contract involving Federal assets; however, Reclamation is not a party to the contract.
 - d. Cutter Lateral OM&R Waiver: Reclamation working on response letter to NTUA 6/3/26 letter to Commissioner requesting approval of the remainder of the discretionary 10-yr waiver (years 6 through 10) of the Navajo Nation's allocated OM&R costs.
 - e. Operations Agreement: This would only be required as a prerequisite to title transfer pursuant to PL 111-11 Sec 10602 (f)(1)(B) and would require City of Gallup approval.
 - f. NTUA Cutter OM&R waiver true-ups ongoing; NTUA staffing shortages affecting reporting timelines.
- **Power Transmission – San Juan Lateral (NTUA)**
 - a. PP2&3 – Completed. Working on punch list
 - b. PP4&7 – Completed
 - c. SJLWTP – Power install Fall 2026, operational by Dec. 2026.
 - d. PP1 – NTUA powerline route still in ROW.
 - e. San Juan River Intake Pumping Plant - Contractor will contact City of Farmington and PNM for temporary power. NTUA executed an agreement with PNM. Reclamation will install the conduit to the building. The new demark point will be at the new intake building.
 - f. Frank Chee Willetto Dam and Reservoir – Contractor is working with PNM on temporary power for the Bypass.
 - g. SJLWTP Regulating Tank – NTUA is working on the ROW packet for the powerline.
 - h. Turnouts – NTUA completed surveys and finalizing electrical designs.
 - i. . Several rectifier sites are in ROW, some are completed, and several are pending construction.
 - j. Transmission Lines
 - i. Cudei to Newcomb – Construction in progress, NTUA crews are erecting poles, Construction completion expected January 2027.
 - ii. Newcomb to Tohatchi – Construction in progress, NTUA crews are erecting poles, Construction completion expected October 2026.
 - iii. Tohatchi to ThreeWay Switch – Work expected to start in October 2026.
 - iv. ThreeWay Switch to Coalmine – Work is expected to start after Newcomb to Tohatchi is complete. Start early 2027 and complete May 2027.
 - k. Substations
 - i. Newcomb Substation (Supplies PP3 & PP4) - Finalizing contract. Start work in August 2026 and complete July 2027.
 - ii. Tohatchi Substation (Supplies PP 7, BBN9 PPs, and Tohlakai) Finalizing contract. Target completion of work July 2027.
 - iii. Nenahnezad Substation (Supplies ½ of SJLWTP and PP1) – The engineering firm recently submitted their 60% designs and NTUA is currently reviewing those designs.
- **SCADA/Cybersecurity (Reclamation)**
 - a. Cutter Lateral - FISMA compliance
 - i. No change for IT/physical security upgrade status on WTP. Reclamation drafted statement of objectives to complete the upgrades and is soliciting pricing to complete the upgrades. This contract will also include updating the communication link with Navajo Tribal Utility Authority's (NTUA's) Escrito Mesa Data Concentrator and programming and integration of the new DZ Booster Pump Station.
 - b. San Juan Lateral - Reach 14 Radio Communications
 - i. USBR includes in bi-monthly SCADA meeting and awaiting information from IHS.

- Budget (Reclamation)
 - a. FY2026 Construction Budget:
 - i. Mandatory - \$120,000,000
 - ii. Discretionary - \$55,000,000
 - iii. Carry over - \$265,000,000
 - b. City of Gallup Credit Request Status
 - i. 27.12 Cipriano Package expected soon?
 - c. Bills
 - i. Technical Meetings between USBR and the City of Gallup ongoing to discuss of Repayment and Prepayment contracts to allow for negotiations to occur.
- Project Water Rights (Navajo Nation/DOI Office of the Solicitor)
 - a. Project Diversion Permit from the State of New Mexico
- 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 service agreement with TSC established for peer review of final forecast.
- Action items and assignments (Reclamation)
- Schedule next PCC meeting – Oct 29, 2026 – in-person with virtual option