NAVAJO-GALLUP WATER SUPPLY PROJECT
PROJECT CONSTRUCTION COMMITTEE MEETING NO. 73 and
PROJECT OPERATIONS COMMITTEE MEETING
Thursday, October 22, 2026, 9:00 AM
In-Person at NTUA Headquarters, Ft. Defiance, AZ, 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)
    a. USBR to re-start technical meetings regarding the Deferred Construction Agreement
    b. NTUA to start a draft of Water Treatment and Conveyance Contract
4. NGWSP "Design Calls" Discussion (Reclamation)
    a. Move to monthly "NGWSP Update Calls" for Stakeholders – group agrees
    b. Commissioning being handled separately through WTP calls
5. 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

6. SJLWTP (Reclamation)

7. Reach 1 Pipeline Modifications (Reclamation)
    a. Inspection and repairs will be delayed until the San Juan Lateral will be put into service

8. Pumping Plant 1 (Reclamation)

9. San Juan Lateral River Intake Pumping Plant (Reclamation)

10. Block 2-3 Horizontal Directional Drilling (Reclamation)

11. Block 2-3 Pipeline (Reclamation)

12. Information Sharing/Public Outreach (Reclamation)

13. Reach 13 SCADA/Fiber Optics (Gallup)
    a. Submittals started in Sep 2026
    b. Field work to start Jan 2027
    c. Work Completion expected Spring 2027

14. Reach 10.1.1 (Coyote Canyon) and 10.2.1 (Standing Rock) (Navajo Nation/SMA)
    a. Coyote Canyon – Essentially complete, awaiting project water to complete the pressure test.
    b. Standing Rock - Clearing and grubbing is complete.

15. Reach 14.1 and 14.2 (Indian Health Service)
    a. Re-route for Reach 14.1 and 14.2 near booster station required due to previously unidentified private land
        i. NEPA will be required, which may take upwards of six months
        ii. New ROW will need to be obtained from the County and City of Gallup
    b. R14.1
        i. ~90% complete; booster station 95% complete; Church Rock Tank constructed and being painted
        ii. Will likely stay within original budget for this reach, however, work currently on hold as re-route is required
    c. R14.2
        i. $2.6m funding increase being processed
        ii. Expected completion 2027 due to re-route
        iii. 11 of 13 wash crossings in place
        iv. 7 of 8 miles of pipe installed

v. Tank is fully welded and scaffolding has been installed, but completion will be put on hold until 2027 due to the inability to paint in the winter months

SAN JUAN LATERAL- ISSUES / DESIGN UPDATE

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

17. Reach 1 – Status/Schedule (Reclamation)
    a. FCWR Bypass & Reservoir Draining -- Reclamation self-performing
        i. Draining FCWR
        ii. Construction of bypass system to supply PNM water
        iii. Work will begin early November 2026 and finish no later than the end of February 2027

    b. Frank Chee Willetto Reservoir/Dam
        i. 60% Design completed in August 2026
        ii. 90% Design on target for November 2026
        iii. Review C December 2026
        iv. Award ETA September 2027
        v. Construction begins in November 2027

18. Shiprock Connection (Reclamation)
    a. Shiprock pipeline will extend along N36 to Highway 491 with a turnout building.
    b. 30% design overview scheduled for December 18, 2026.
    c. Construction schedule impacted
    d. ROW application will be submitted to GLDD once alignment is selected and related plat is finalized. Expected to submit April 2027.

19. San Juan Lateral Turnout Buildings (Reclamation)
    a. Solicitation has been on the streets since August
    b. Bids due on November 10, 2026
    c. Award ETA January 2027
    d. Construction begins January 2027
    e. Completion expected April 2029

20. Reach 27.12 Pipeline (City of Gallup)
    a. IFB expected November 2026; awaiting WTB approval.
    b. Completion is expected mid-2027.

21. Pumping Plant #8 (City of Gallup)
    a. 90% design expected October 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 signatures.
    d. 100% design submittal expected February 2027.
    e. BOR NTP is expected March 2027.
    f. IFB is expected April 2027 with Award expected May 2027.
    g. Work Start expected mid-2027; Completion expected no later than Aug 2028.

22. Navajo Financial Assistance Agreement – Status/Schedule (Navajo Nation/SMA)
    a. BBN9 Crownpoint
        i. 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. 30% design expected in Dec 2026, obtaining consent for ROW, NEPA complete.
        iii. Looking to increase float capacity.

iv. 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 –100% design complete. BLM ROW is has been issued. NEPA and Cultural have been completed. Funding coming through modification of FAA.

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.

23. San Juan Lateral Turnouts and Community Connections (Navajo Nation/SMA)
   a. Sanostee
      i. Turnout Facility – 100% design complete.
      ii. Community Connection – 90% design completed.
   b. Newcomb
      i. Turnout Facility – 100% design complete.
      ii. Community Connection – 30% design summer 2026.
   c. Naschitti
      i. Turnout facility – 100% design complete.
      ii. Community Connection - Construction 75% complete.
   d. Tohatchi/Mexican Springs
      i. Turnout – Complete. Constructed as a part of PP7.
      ii. Community Connection – 90% design pending.
   e. Crownpoint 10.1
      i. Turnout Facility – 100% design complete
      ii. Community Connection – construction is planned for 2026. Waiting on 164 process to approve NECA construction contract.
   f. Coyote Canyon (10.1.1)
      i. Turnout Facility – 100% completed.
      ii. Community Connection – Construction completion expected late-2026.
   g. Sheep Springs
      i. Turnout – Complete. Constructed as part of PP4.
      ii. Community Connection – design work summer 2026
   h. Twin Lakes
      i. Turnout – Needs a samplings port and check valves installed (DePauli)
      ii. Community Connection – Constructed
   i. Rock Springs
      i. Turnout Facility – 100% design complete.
      ii. Community Connection – 30% design package expected summer 2026.
   j. Window Rock (12.3)
      i. Turnout Facility – 100% design complete.
      ii. Community Connection – R12.3 alignment is mostly finalized. Archaeological field surveys completed.

CUTTER LATERAL

24. OM&R Update (Reclamation/NTUA/Navajo Nation)
   a. NTUA is planning on responding to the ramp-down O&M waiver
   b. 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 years 5 & 6.
      v. 2027 OM&R budget request is being deliberated this week by the NTUA budget committee for approval.
   c. Operations – General

i. WTP production averaged 388,000 gpd for this past quarter, a 17% increase over last quarter.
ii. Annual monthly high at 490,000 gpd, July 2025
iii. Annual monthly low at 252,000 gpd, January 2026
iv. The IT/physical security level upgrades are pending Reclamation contract award, this month.
v. Awaiting sanitary survey report from NNEPA. Deficiencies were corrected and documentation was provided to NNEPA early September.
vi. PP1's erosion issues upstream and downstream of the plant are pending evaluation by Reclamation. Recent flows through a culvert downstream of the plant have eroded soil from several 3rd party pipelines. Restoration is planned for next month.

d. Water Regulatory/Quality
   i. The draft report documenting the ACH conversion is initially indicating a cost savings. Numbers are pending report finalization.
   ii. Elevated nitrates from a sampling well upstream of the water treatment plant have been detected. The source is unknown. An inspection did not indicate the well as the source of the nitrates.

e. Area Wide Optimization Program (AWOP) - (NTUA)
   i. Operations continue submitting monthly AWOP data and remain available for focus discussions. AWOP goals for the combined filter effluent turbidity were met 92% of the time for the last quarter.

f. 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. Positions for two junior level operators are being advertised.

25. 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 sent from GLDD to BIA.
       iii. ROW application for Regulating Tank 3 ready to go from GLDD to BIA.
       iv. Solicitation Tentatively November 2026.
       v. Award Tentatively April 2027.
       vi. Programming and integration of the system will be added to the CLWTP FISMA Contract.

WATER TREATMENT

26. Regulatory Coordination (Reclamation)
    a. Regulatory Workgroup Meeting
       i. Last meeting was held Aug 4
       ii. Meetings will be held on an as-needed basis going forward

27. 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.

28. Disinfection Byproducts (DBP) - San Juan Water System (Reclamation)
    a. Residence time and DBP formation modeling Basis of Design report is in review by stakeholder group. Comments received from NTUA, which will be addressed in the updated report after next phase of modeling and analysis is completed.
    b. DBP mitigation strategy report is in progress, expected Q2 2027. TSC is working on final residence time and DBP formation modeling steps using Automated Metering Infrastructure (AMI) flow distributions in Fort Defiance and Crownpoint PWS's as well as Phase I buildout average flow modeling. Potential discussion at January PCC.
    c. Lack of authority for DBP mitigation in consecutive water systems. DBP mitigation strategy will consider mitigation options and outline recommendations for consecutive water systems where concerns are identified to

support Owner planning and decision making. A startup monitoring plan is being developed as part of the DBP mitigation strategy to track DBP formation to reduce compliance risk and support operational decision making through startup of the system.

PROJECT WIDE

29. 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 – Out for signature.
    d. PIN 052 – Consolidated Cost Allocation Determinations – Draft started.

30. Cultural Resources Compliance – Project-Wide (Reclamation)
    a. CRCs are in the process of being obtained for the change in scope on the Frank Chee Willetto Reservoir Bypass Tanks and for Reaches 14.6a, 14.7a, and 14.8a.
    b. We are in the process of reviewing a draft Class III cultural resources inventory report on Reach 12.3 and anticipate initiating consultation soon.
    c. Reclamation awarded a contract for required cultural monitoring in specific locations along Block 2-3 and at one of the San Juan Lateral turnouts. This contract also covers the Class III cultural resource inventory and ethnographic survey for the Shiprock Connection. A mod has been prepared to include a previously unsurveyed area in a location where Reaches 14.1 and 14.2 are being realigned. Once consultation is complete, CRCs will be required for Reach 12.3 and Reaches 14.1 and 14.2 realignment.
    d. Reclamation coordinated with the Navajo Nation THPO on geotechnical investigations along the Shiprock Connection. The THPO concurred that the investigations may move forward with the implementation of a cultural monitor.
    e. Annual reporting to all PA signatories - in progress.

31. Environmental – Project-Wide (Reclamation)
    a. Compliance
        i. Categorical Exclusions (CE) has been prepared for the change in scope on the FCWR bypass tanks project and will be routed for signature once the CRC is in place.
        ii. A CE has been completed for geotechnical investigations along the Shiprock Connection. This effort required consultation with the USFWS and NNDFW, and a biological monitor will be required to ensure there are no impacts to MVC.
        iii. A MVC survey and general bio survey was completed on the Shiprock Connection alignment in spring of 2026. Since that time, the alignment for the Shiprock Connection was changed to along N36 Road, stopping at Hwy 491. Reclamation is working on a mod with the bio contractor who did the previous survey to get a general bio survey and report on the revised Shiprock Connection as well as get an MVC survey on the project area during the 2027 blooming period. Once the general bio survey is completed, the contractor will work with NNDFW to obtain the BRCF.
        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. Reclamation has coordinated with BIA and plans to prepare a NEPA Sufficiency Review for the Shiprock Connection along N36 Road. The NSR can be finalized once the BRCF and CRC are obtained.
        vi. An EA is mostly drafted for Reaches 14.6a, 14.7a, and 14.8a. Under the new 2026 DOI NEPA Handbook, Reclamation does not plan to put a draft EA out for public comment. Reclamation anticipates having a draft Final EA available for Area Manager review soon. Once reviewed, it will go to the Assistant Secretary of Water and Science for final approval before signing the FONSI (if appropriate).
        vii. A contractor is preparing an EA for Reach 12.3. This EA will also not go out for public comment. Reclamation anticipates receiving an initial draft of the EA for review soon.

32. Value Planning Update (Reclamation)
    a. The value planning study draft will be finalized and USBR will distribute the draft.

33. 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 technical meeting held 8/7/26 at 2PM; Next technical meeting scheduled for 10/30/26 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: Commissioner and Leadership approved a five-year waiver extension (years 6 through 10) that grants the remaining 5-year extension with a ramp-down in years 8 (25% waiver reduction), 9 (50% waiver reduction), & 10 (75% waiver reduction). This was in response 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.

34. Power Transmission – San Juan Lateral (NTUA)
    a. New NTUA Power Schedule
        i. Pumping Plant #1 – Construction: Start 01/04/2027, Complete 04/30/2027
        ii. Water Treatment Plant (East) – Construction: Start 02/08/2027, Complete 04/23/2027
        iii. Water Treatment Plant (West)– Construction: Start 09/29/2026, Complete 11/30/2026
        iv. Frank Chee Willeto Reservoir – Construction: Start 11/08/2027, Complete 03/10/2028
        v. Blk 2-3 San Juan Lateral Regulating Tank (Morgan Lake) – Construction: Start 12/18/2026, Complete 01/25/2027
        vi. Shiprock Connection – Construction: Start 09/10/2027, Complete 12/30/2027
        vii. SJL Turnouts – Construction: Start 03/05/2027, Complete 09/08/2027
        viii. Main Distribution Lines – Construction: Start 12/15/2025, Complete 12/03/2027
        ix. Rectifier Sites (Reach 4a-11) – Construction: Start 10/10/2022, Complete 12/30/2026
        x. Rectifier Sites (Reach 4a-4b) – Construction: Start 03/23/2026, Complete 04/19/2027
        xi. Nenahnezad Substation – Construction: Start 01/04/2027, Complete 06/21/2027
        xii. Newcomb Substation – Construction: Start 08/17/2026, Complete 07/09/2027
        xiii. Cudei to Newcomb 115kV X-line – Construction: Start 07/07/2025, Complete 01/29/2027
        xiv. Newcomb to Tohatchi 115kV X-line – Construction: Start 07/07/2025, Complete 10/30/2026
        xv. Tohatchi to Coalmine 115kV X-line – Construction: Start 02/01/2027, Complete 06/04/2027
        xvi. Tohatchi Switching Station – Construction: Start 09/10/2026, Complete 10/20/2028
    b. Power for Rock Springs Turnout will come from CDEC. Reclamation is working on new contract like Blackhat Tank.

35. SCADA/Cybersecurity (Reclamation)
    a. Cutter Lateral - FISMA compliance
        i. Reclamation solicited 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. Hope to award at the beginning of November.

    b. San Juan Lateral - Reach 14 Radio Communications
        i. USBR includes in bi-monthly SCADA meeting and awaiting information from IHS.

36. Budget (Reclamation)
    a. FY2027 Construction Budget:
        i. Mandatory - TBD
        ii. Discretionary - TBD
        iii. Carry over - $111.4 million

    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 Repayment and Prepayment contracts to allow for negotiations to occur.

37. Project Water Rights (Navajo Nation/DOI Office of the Solicitor)
    a. Project Diversion Permit from the State of New Mexico

38. 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.
    b. Participants are concerned about the potential of the Replacement cost being overly expensive to the end-user. WSP to send out email for internal meeting before meeting w/ Jacobs regarding O&M estimate

39. Action items and assignments (Reclamation)

40. Schedule next PCC meeting – Jan 28, 2027 – in-person with virtual option