



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

IN REPLY REFER TO:

WCD-PPage
WTR-4.13

JUN 6 2003

Mr. Joe Shirley, Jr.
President
Navajo Nation
P.O. Box 9000
Window Rock, AZ 86515

Subject: Proposed 2003 Operating Plan for Navajo Reservoir, Navajo Unit, Colorado River Storage Project, Colorado and New Mexico

Dear Mr. Shirley:

In response to the low storage level at Navajo Reservoir, and the forecasted inflow, the Bureau of Reclamation anticipates that there may be inadequate water supplies to fully meet the needs of those with contracted or authorized amounts of water from the reservoir in 2003.

Ten major water user entities in the San Juan Basin in New Mexico have developed a plan for sharing shortages among themselves for 2003. That plan is in the form of two documents entitled "Recommendations for San Juan River Operations and Administration for 2003, February 20, 2003" (as amended by the Navajo Nation on April 17, 2003), and "Principles for Implementation of the Recommendations, April 30, 2003" (as amended by the Navajo Nation on May 19, 2003). The plan is not inconsistent with current Navajo Unit water service contracts and does not result in changing the priority of water delivery to existing contractors. Therefore, our 2003 Annual Operating Plan for Navajo Reservoir for the remainder of 2003, will recognize the water use and shortage-sharing arrangement that is contained in the plan, to the extent that operational limitations allow. Please note that this operating plan is subject to change based on the most recent forecast issued the first and middle of every month.

We have received endorsements on this plan from the following Navajo Unit contractors:

Hammond Conservancy District
Jicarilla Apache Nation
Navajo Nation
Public Service Company of New Mexico

In addition, we have received similar endorsements from the following entities:

Arizona Public Service Company
BHP-Billiton
City of Farmington
Bloomfield Irrigation District
Farmers Mutual Ditch
Jewett Valley Ditch

The mid-May 2003, minimum probable inflow forecast indicates that a shortage of 6.6 percent is anticipated. The anticipated shortage amount increases to 7.3 percent for non-municipal and industrial users after the proposed subcontracts between the Jicarilla Apache Nation and the power plants are taken into account. These contracts are currently moving through our approval process. The forecasted inflow will be updated biweekly and if changes to the available supply are realized, the shortage calculation will be revised accordingly.

We would like to thank everyone who was involved in the development of this plan. You were able to find a cooperative solution to a very difficult issue, and for that you should all be commended. If you have any questions, please contact Mr. Pat Page or Mr. Ed Warner at (970) 385-6560 or (970) 248-0654, respectively.

Sincerely,
Acting
for



Rick L. Gold
Regional Director

Identical Letters Sent to:

Ms. Claudia J. Vigil-Muniz
President
Jicarilla Apache Nation
P.O. Box 709
Dulce, NM 87528

Mr. Myron Crockett
President
Hammond Conservancy District
790 Road 4990
Bloomfield, NM 87413

Ms. Cindy Murray
Public Service Company of New Mexico
2401 Aztec N.E.
Albuquerque, NM 87107

cc: Mr. James Rogers
Jewett Valley Water Users Association
P.O. Box 39
Waterflow, NM 87421

Mr. Lawrence Stock
Farmers Mutual Ditch
P.O. Box 467
Kirtland, NM 87417

Mr. Ken Nordlander
Arizona Public Service Company
P.O. Box 53999
Phoenix, AZ 85072-3999

Mr. J. W. Grubb, President
BHP Billiton
300 West Arrington, Suite 200
Farmington, NM 87401

Honorable William E. Standley
Mayor
City of Farmington
800 Municipal Drive
Farmington, NM 87401

Mr. Bill Osheimer
Fish and Wildlife Biologist
New Mexico Ecological Services Field Office
U.S. Fish and Wildlife Service
2105 Osuna Road NE
Albuquerque, NM 87113-1001

Mr. John Whipple
New Mexico Interstate Stream Commission
P.O. Box 25102
Santa Fe, NM 87504-5102

Mr. Robert Genualdi
New Mexico State Engineer's Office
100 South Oliver Drive
Aztec, NM 87410

Mr. John Leeper
Navajo Nation
Water Management Branch
P.O. Drawer 678
Fort Defiance, AZ 86504

Mr. Mike Hamman
Jicarilla Apache Nation
60 CR 119
Espanola, NM 87532

Mr. Bob Krakow
Bureau of Indian Affairs
Navajo Indian Irrigation Project
304 N. Auburn, Suite B
Farmington, NM 87401

Ms. Karen Barrera
Bloomfield Irrigation District
P.O. Box 606
Bloomfield, NM 87413

bc: WCG-CDeAngelis, WCG-EWarner
WCD-PPage