I. Background/Need/Purpose


b. Cornerstone of Navajo San Juan River in New Mexico Water Rights Settlement between the Navajo Nation, the State of New Mexico, and the United States of America.

c. The Project is being designed to serve a projected 2040 population of approximately 250,000 to provide a long-term, sustainable water supply from the San Juan River Basin to 43 chapters on the Navajo Nation; the southwest area of the Jicarilla Apache reservation, and the city of Gallup, New Mexico.

d. Project is divided into 27 Reaches for construction (map at end of report can also be downloaded from website referenced above). The beginning of a reach is typically a location of a turnout that will deliver water to communities. The reaches play a key role in the description of the cost attributable to the Project participants since the capacities of the reaches change from one turnout to the next.

II. Scope

a. Two main laterals totaling approximately 270 miles of pipeline

i. Cutter Lateral – Reaches 21 through 26. Serving the far eastern side of the Navajo Reservation and providing a tap to serve the TeePee Junction area of the Jicarilla Apache Reservation.

ii. San Juan Lateral – Reaches 1 through 20 and 27. Starting at the San Juan River near Kirtland, NM and extending southward, roughly following US Hwy 491 through Gallup; with extensions to Window Rock, AZ, and to near Crown Point, NM.

iii. Numerous pumping plants and storage tanks

iv. Two Water Treatment Plants – Cutter Lateral and San Juan Lateral

v. Power Supply Facilities – Project is eligible to receive Western Area Power Authority (WAPA) power.

III. Project Participants/Coordination

a. Navajo Nation (29,060 acre-feet/year = 6,410 in AZ and 22,650 in NM)

b. City of Gallup (7,500 acre-feet/year)

c. Jicarilla Apache Nation (1,200 acre-feet/year)

d. State of New Mexico (cost-share partner to provide $50 million)

e. Through the authorizing congressional legislation, the Project Construction Committee (PCC) and a Project Operations Committee (POC) were created to coordinate the
implementation of the Project. The PCC coordinates and implements the preconstruction and construction activities. The POC coordinates the operations, maintenance and replacement (OM&R) activities.

i. Project Construction Committee
   1. Bureau of Reclamation
   2. Bureau of Indian Affairs
   3. Navajo Nation
   4. Jicarilla Apache Nation
   5. City of Gallup
   6. Navajo Tribal Utility Authority
   7. New Mexico

ii. Project Operations Committee
   1. Bureau of Reclamation
   2. Bureau of Indian Affairs
   3. Navajo Nation
   4. Jicarilla Apache Nation
   5. City of Gallup
   6. Navajo Tribal Utility Authority

f. Additional coordination meetings: Between the PCC meetings are a series of coordination meetings that are scheduled as necessary to coordinate the completion of necessary activities. These coordination meeting can be between the Project participants or internal to one entity such as the Navajo Nation and its programs.

IV. Budget/Funding

a. Project is currently estimated to cost $1.041 billion (October 2013 Construction Cost Estimate) to construct. Project originally authorized at $870 million at 2007 price level which is subject to indexing (adjustments) as indicated by increases in materials, labor, etc.

b. U. S. Discretionary (Appropriated) Funding
   i. Through FY 2012 - $38.1 million
   ii. FY 2013: $26.886 million
   iii. FY 2014 Budget Request: $60.497 million.
   iv. Discretionary funds are subject to being lost if not spent.

c. State of New Mexico Cost Share
   i. The Cost Share Agreement was signed in 2011. New Mexico applying for a credit through Reclamation of approximately $30.8 million for pipelines constructed mostly in Eastern Agency.
   ii. The following is a breakdown of the funding by Phases of the Eastern Navajo Water Project (ENWP) which would become part of the Cutter Lateral of the Project:
      1. Phase 2: $3.0 million
      2. Phase 3: $14.7 million
      3. Phase 4: $0.9 million
4. Phase 5: $0.7 million (NM Indian Affairs TIF Grant)
5. Total: $19.3 million ($18.4 creditable to Project, Phase 4 not credited)

iii. The following is a breakdown of how those funds correspond to Project Reaches as defined by Reclamation:
1. Reach 27: $12.4 million (Gallup Regional System) – Construction
2. Reach 24: $3.0 million (Cutter Lateral) – Surveys and construction
3. Reach 23: $14.7 million (Cutter Lateral) – Surveys and construction
4. Reach 21: $0.35 million (Cutter Lateral) – Analysis of NIIP system
5. Reach 22: $0.35 million (Cutter Lateral) – Permission to surveys

Total: $30.8 million

iv. Preliminary approval of $8.824 million in credit. Reclamation reviewing additional documentation before finalizing remaining credit request.

v. Cost share funds in the amount of $13.6 million in the form of cash have been received by Reclamation.

vi. If the $30.8 is approved, the total will be $44.4 million contributed by NM, leaving a balance of $5.6 million. New Mexico can send cash to Reclamation for remaining balance or discuss current or future projects that may be credited.

vii. Some projects funded by NM through Tribal Infrastructure Funds (TIF) or the Water Trust Board (WTB) may qualify for credit upon discussion with Reclamation. Those project include:
1. White Rock TIF Planning Funds ($600,000)
2. City of Gallup Project 4 WTB Construction Funds ($2.6 million)

d. U.S. Mandatory Funding – Project is eligible to receive
   i. P.L. 111-291 provides for total of $180 million in FY 2012 through FY 2014
      1. A total of $180 million received in FY 2012, FY 2013 and FY 2014.
      2. FY 2014 will be last year of mandatory funding under this authority.
      3. Mandatory funds are available until expended.


   iii. P.L. 111-11 provides for mandatory funding starting again in FY 2020

V. Schedule
   a. Project has been divided into 27 Reaches for construction.
   b. Reclamation construction has begun (first contract awarded April 2012 on Reach 12A)
   c. Groundbreaking event was held on June 2, 2012.
   d. Legislated deadline to complete Project construction is 2024
   e. The construction schedule of Reaches can be modified at any time by NGWSP PCC.

VI. Predecessor to Construction Documents
   a. Agreements/Contracts
ii. San Juan River Basin in New Mexico, Navajo Nation Water Rights Settlement Agreement (completed – various stages)

iii. Settlement Contract between the United States and the Navajo Nation (completed 2010) for waters from Navajo Reservoir.

iv. Cost Share Agreement Between the United States and the State of New Mexico (completed)

v. Repayment Contract with the City of Gallup (completed)

vi. Water Delivery Contract Between Jicarilla Apache Nation and City of Gallup (completed)

vii. Repayment Contract with the Jicarilla Apache Nation (completed)

viii. Cultural Resources Programmatic Agreement (completed) - A Programmatic Agreement was signed to ensure compliance with the National Historic Preservation Act during construction. This agreement will guide the numerous involved agencies and tribes in the proper handling of the cultural resources in the project area. The PA requires Reclamation to fund an independent Project Manager to assist with the coordination of all reviews and deliverables required under the terms of the PA.

ix. Additional NEPA Compliance documents for wash/waterway crossings, archeology, endangered species, etc.

b. Design

i. Design calls held every two weeks.

ii. Design Memorandum of Understanding (completed 2011):

1. Provide for a flexible approach to project design and construction decisions to allow for consideration of delivering water near to existing or future distribution systems.

2. Provide for structured process for making modifications within the framework of the PR/EIS.

3. Require that costs must be maintained within authorization ceiling.

4. Identify responsibilities of the Project Participants and the designers/constructors for various reaches.

iii. Reclamation in discussion with NTUA and City of Gallup on San Juan Lateral power supply facilities. Path 48 Study is currently being completed. Project is eligible to receive Western Area Power Authority (WAPA) Power. New power facilities needed for Cutter Reservoir to Huerfano for the Cutter Lateral.

iv. San Juan Lateral connection plans to take water from Project to NTUA water systems drafted and updated with input from IHS, NTUA and NDWR. Reclamation planning to fund additional study of proposed connection plans to allow for applications to USDA Rural Development or other agencies.

v. Water Management Branch and Souder-Miller Associates are working with Cutter Lateral chapters to develop connection plans utilizing Navajo Nation and NM TIF funds.

c. Right of Ways

i. Outreach to chapters and public
ii. Selection of proposed alignment
iii. Land status determination
iv. Approval for permission to survey
v. Environmental and cultural resources compliance
vi. Collection of design data
vii. Grazing permittee consent for right-of-way
viii. Compilation of documents for right-of-way approval
ix. Approval of right-of-way
d. Expedite Review and Permitting
i. On October 11, 2011 the U.S. President selected the Navajo-Gallup Water Supply Project to be one of fourteen infrastructure projects to be expedited through the permitting and environmental review process to help create jobs. Reclamation is working with other federal agencies (BLM, BIA, IHS, Army, etc.), the Navajo Nation and other Project Participants to explore ways to streamline the permitting and review processes associated with the Project. The expediting process will not relieve Reclamation and other federal agencies from their responsibilities to comply with environmental laws and regulations. Progress on the permitting and review process can be tracked on Federal Infrastructure Projects Permitting Dashboard at the following website: http://permits.performance.gov/ or http://www.usbr.gov/uc/rm/navajo/nav-gallup/index.html
ii. The Navajo Nation President issued an Executive Order 03-2012 in June 2012 to make the Project a priority within the Navajo Nation.

VII. Construction Sequencing and Status
a. In order to meet legislated deadline, construction will occur at the same time in different sections (Reaches) throughout the Project area.
b. San Juan Lateral: Construction is occurring to convey short-term groundwater from Twin Lakes, NM through the City of Gallup to Churchrock, NM to help meet the need for current water demands.
   i. Reach 12A - Reclamation began with Reach 12A construction near the Navajo Nation community of Twin Lakes, north of Gallup. Construction complete.
   ii. Tohlakai Pumping Plant – Right of Way approved by the Navajo Nation in November 2013. Plant has been designed and Reclamation is received bids through January 2014. Award to contractor expected in March 2014. Construction to begin in April/May 2014.
   iii. Reach 12B – Right of Way approved by Navajo Nation in 2013. Reclamation is in discussion of reroute around or through allotted lands. Construction may begin in Fall/Winter 2014.
   iv. Reach 13 and 27 - Intertie to Gallup Regional System from Yahtahey –. City of Gallup will be upgrading portions of their system (Reaches 13 and 27) in order to deliver Project water through City facilities to neighboring Navajo communities, and eventually to receive Project water from the San Juan River to
meet their project demands. Financial Assistance Agreement awarded to the City in September 2011. Reach 27.5 began construction in November 2013. Reach 13 is out for bid. Reach 27.6 and 27.9 should be bidded out in Summer 2014. Reach 27.7a and 27.13 planned for bids in Fall 2014.

v. Project 4 - The City of Gallup and Navajo Tribal Utility Authority have also been coordinating on Project 4 near Tohlakai, NM which allows the Twin Lakes NTUA water system to receive water from the Project with a new tank on the south side of Tohlakai, NM and new water line that will tie into the existing NTUA system. The new storage facilities will replace the old NTUA storage tanks on the north side of Tohlakai. Project 4 may also allow interim groundwater to be sent from Twin Lakes to Churchrock. The Navajo Nation approved the right of ways for both the Trust and Fee Lands in November 2013. Construction to begin Spring 2014 if NM Water Trust Board grants request for extension in March 2014.

vi. Reach 14.1 and 14.2 - Navajo Area Indian Health Service (IHS) will be constructing Reach 14 which will take Project water delivered through the City of Gallup’s system and deliver it to communities east, south, and west of Gallup. Interagency Acquisition awarded to IHS in May 2013 for construction of Reach 14.1 and Reach 14.2. Construction may begin in late 2014 or 2015.

vii. Reach 12.1 and 12.2 - Lateral from Yahtahey to Window Rock. Land status includes tribal trust, tribal fee, state, private and allottee. Reclamation obtained permissions to survey on allotted lands. Working on acquiring design data for alignment. Construction of 12.1 may begin late 2014 or 2015.

c. Cutter Lateral:

i. Reach 21 – Cutter Later Water Treatment Plant – The location has been moved to the southeast of Huerfano Mountain. Design work still being completed. Plan to begin construction in 2015.

ii. Reach 22a – Land status includes BLM, state and allottee. Reclamation working on obtaining permissions to survey on allotted lands to acquire design data for alignment. Plan to begin construction in 2015.

iii. Reach 23 and 24 - The Navajo Nation began construction with New Mexico, USDA, Navajo Chapters and other agencies to begin construction of the Eastern Navajo Water Project. The ENWP has the capacity to convey Cutter Lateral Project water and in some cases, the State of New Mexico will receive credit toward its cost share agreement for portions of the ENWP it has funded.

- Reach 24 Cutter Lateral (ENWP Phase 2) - Construction completed.
- Reach 23 Cutter Lateral (ENWP Phase 3) – Construction substantially complete.

iv. Reach 24.1, 25 and 26 - The Navajo Nation entered into a $43 million Financial Assistance Agreement with Reclamation in September 2012 to construct Reaches 24.1, 25 and 26. Currently, Navajo Nation Department of Water Resource is working with Souder-Miller Engineering to complete the environmental, cultural resource and design of the Reaches. Construction of
portions to begin in 2014. Chacra Mesa ACEC issue Reach 26.2 Pueblo Pintado Tank is being worked on by BLM. Report expected February/March 2014. Separate ACEC area for Reach 26.3 being resolved with BLM for pipeline through Bad Land cliffs.

VIII. Documents Predecessor to Operation, Maintenance & Replacement

a. Agreements/Contracts
   i. Operations MOU (completed 2012) - Navajo Tribal Utility Authority (NTUA) has been identified as the operator for the Project, with the exception of the portion of the Project that the City of Gallup will be constructing (Reaches 13 and 27), which will be the responsibility of the City of Gallup.
   ii. OMR Transfer Contract - Project will be brought online as facilities and Reaches are completed (rather than waiting until the entire pipeline is completed). This will allow groundwater, in some cases, to be delivered through the pipeline in the interim to communities that have immediate needs for the water.
   iii. Title Transfer – The right of way and project facilities that are acquired and built by Reclamation will be transferred to the Navajo Nation/NTUA or City of Gallup depending on Reach.
   iv. Reserve and Replacement Fund – A reserve fund is required for the operation, maintenance and replacement of the Project. Water Management Branch proposed a method to develop a Reserve and Replacement Fund for the Project that is ready for legislation.

IX. Operation & Maintenance

a. NTUA will operate the Project except for portions of the City of Gallup system and the portion of the project after the Jicarilla Apache Nation turnout.

X. Public Outreach / Coordination with Project Participants

a. In addition to the Project Construction Committee (PCC) and Project Operations Committee (POC), Reclamation conducts regular (individual) coordination meetings with the Navajo Nation Division of Natural Resource programs, the City of Gallup, Bureau of Indian Affairs, and Bureau of Land Management, respectively.

b. Reclamation and Navajo Nation attend Tribal Chapter Meetings to provide information relating to ongoing or planned construction work associated with the Project.

c. NTUA is working with the Navajo Nation to begin economic development projects along the Project corridors to obtain more customers.

XI. Contact Information

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b. Pat Page, P.E., Deputy Construction Engineer, Bureau of Reclamation Four Corners Construction Office, ppage@usbr.gov, (505) 324-5027 (office phone).
Navajo Gallup Water Supply Project

RECLAMATION
Managing Water for the West

Legend
- Pumping Plants
- Water Treatment Plant
- San Juan Lateral
- Cutler Lateral
- Eastern Navajo Water Pipeline (ENWP) Phase 3
- Eastern Navajo Water Pipeline (ENWP) Phase 2
- Interstate
- State Highway
- US Highway
- NTUA Line
- Navajo Nation Non-Served Chapters
- Navajo Nation Served Chapters
- Jicarilla Apache Nation

Note: Pumping Plant designations reflect FEIS designations. Some pumping plants in original FEIS design have been combined and/or eliminated as a result of additional analyses and optimization studies.