

November 7, 2003

**MEMORANDUM**

TO: Stanley Pollack  
NDOJ

FROM: \_\_\_\_\_  
John Leeper  
NDWR

SUBJECT: **Indexed SJR Settlement Values**

The objective of this memorandum is to provide indexed values for the SJR settlement documents:

The July 2002 budget ceiling was \$639,347,000. The May 12, 2003 budget to complete (without Gallegos Reservoir) is \$903,884,379. The difference is approximately \$263 million. However, the unofficial October 2003 ceiling is \$651,217,992. This unofficial value will lower the \$263 million value by \$12 million resulting in an increase in the budget ceiling of \$252 million in 2003 dollars.

The current estimated cost of Gallegos Reservoir is \$70 million.

The remaining NIIP on-farm rehabilitation work described in the MKAC report is \$24 million in Jan 2001 dollars. The index is 248/234. The new value will be \$25.43 million in July 2003 dollars.

The Farmington Reach is referred to as the Farmington Replacement Line by Reclamation. According to Reclamation's 7-29-03 ALP construction cost estimate, the field cost is \$4.5 million. Reclamation recommends adding 30 percent to that value to address EDF resulting in a total construction cost of \$5.85 million in 2003 dollars. The NDWR disagrees with this estimate, but it is the official BOR value.

According to the San Juan Irrigation Systems Rehabilitation Plan by Keller Bliessner Engineer dated February 28, 2003 the rehabilitation cost is \$17.7 million. Prorating that value by acres, \$4.7 million would be for Fruitland-Cambridge, and \$13.0 million would be for Hogback-Cudie.

The Reclamation April 2002 Appraisal level report for the Navajo Gallup Water Supply Project indicates that the NGWSP will be \$441 million in October 2001 dollars. The index is 248/236.

The new value will be \$463.42 million in July 2003 dollars.

The 2001 NDWR Technical Memorandum indicates that the NGWSP conjunctive ground water component will be \$73 million in October 2000 dollars. The index is 248/233. The new value is \$77.70 in July 2003 dollars.