



SJ-17
Navajo Settlement
Copy: SJ-3
ALP

STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER
SANTA FE

THOMAS C. TURNEY
State Engineer
5102

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Comments
Of
Thomas C. Turney
Before
San Juan Water Commission
Farmington, NM
August 21, 2001

I appreciate you letting me address the commission this morning. I have wanted to do so for quite some time.

I would like to briefly introduce the following people who have accompanied me.

Norm Gaume, John D'Antonio, Robert Genualdi, John Stroud, John Whipple

There are several issues I wish to address this morning. All these issues are inter-related. I would like to talk about the application filed in January by the Commission. I want to address the State's ongoing negotiations with the Navajos, a preliminary hydrologic determination, the Animas La Plata Project, and finally close with a few words about metering and management of the Animas and San Juan River.

The San Juan Basin is important to the State of New Mexico. It contains the largest

surface water supply in the State, of about which 15%, is being exported for use by communities and agricultural uses within the Rio Grande Basin—including the cities of Albuquerque and the Santa Fe as well as the Middle Rio Grande Conservancy District.

The San Juan Basin includes many large cities as well as three Indian Tribes. About 5% of the entire United States natural gas supplies come from the San Juan Basin. The area produces many agricultural products, both from Indian and non-Indian lands.

The New Mexico Interstate Stream Commission has supported development of San Juan Basin waters for many decades. This was necessary to insure that New Mexico waters were protected from being used by other western states. The Interstate Stream Commission has been supportive of the development of Navajo Dam, the Navajo Indian Irrigation Project, the Hammond Irrigation Project, and the Animas-La Plata project.

Many water activities continue to occur in the San Juan Basin which have a direct impact on all water stakeholders. My office is entering into dialogue with many competing interests. It is very important that this commission have a good working knowledge of these activities. This is essential because of State's view that these activities will provide certainty to a region that has seen and will in all likelihood continue to see growth.

If you have further questions about this mornings presentation, and I am sure you will, we would like to extend an invitation for Commission representative to travel to Santa Fe to meet with us. With the exception of Mr. Dunlap, it has been literally years since I

have seen anyone from the Commission in my office. Alternately, you can visit with Robert Genualdi who heads up our Aztec Office. Robert is quickly coming up to speed, and is in charge of the ongoing Navajo Negotiations. This morning's meeting is just one of a series of meetings that the State has been conducting in the area. Farmington has invited us to meet with them in two weeks. We are willing to meet with other Cities and stakeholders if we are invited.

I want to turn now to the application filed in January by the San Juan Water Commission. This application has sparked considerable interest. It is probably not proper for me to speak on the merits of the application, but I see no problems in discussing administrative procedures.

I have intentionally directed John D'Antonio that it not be published at this time. I have done so because I need guidance from the Commission on how you wish to proceed. Many parties have already indicated that they intend to protest the application. These include the Navajo Nation, the Department of Interior and the Bureau of Indian Affairs. In addition, one municipality in this basin has indicated they are considering protesting the application.

I am willing to publish the application and assign a hearing officer to hearing the case. However, because of the large number of players involved, I think it is fairly safe to say that the hearing will be lengthy, sophisticated, and costly. I wonder if instead of going ahead with this application, it would be more in everyone's interest to consider alternate courses of action.

No matter what the decision the State Engineer makes on this application, an appeal is possible. In recent years, as we have begun working through the Agency backlog of applications, we have seen a number of my final decisions being appealed. This is done typically by either the applicant or the protestant, who is permitted to appeal. If an appeal is made there is a possibility the ultimate decision will somehow find itself thrust into the ongoing adjudication court. And in a recent court decision in an adjudication just north of Santa Fe, the Court overturned a special master's decision on a specific issue, ordering instead that the issue be addressed as a part of the global ongoing Indian, non-Indian settlement talks.

As the Commission deliberates on its decision to go ahead with the publishing of this application, I believe it is very important to understand the ongoing Navajo negotiations as well as a preliminary hydrologic determination which the Interstate Stream Commission has recently developed.

I want to now discuss the Navajo negotiations. I have made several presentations in this area on the State's preliminary offer. Discussions to date with the Navajos have used this preliminary offer as a framework for possible settlement. Briefly, existing depletions by the Navajo Nation will be recognized. The completion of the Navajo Indian Irrigation Project will be supported, as well as depletions associated with the Navajo-Gallup project. A pipeline to serve Navajo Communities along the front range of the Chusca mountains and the City of Gallup will be constructed. Certain infrastructure projects relating to existing irrigation works for the Fruitland, Hogback and Cudei will be

constructed. In return, the Navajo will settle their water claims in the San Juan Basin.

The Navajos are placing strong pressure on the State to complete these settlement discussions. I have publicly taken the position that the State will support the construction of a Navajo-Gallup pipeline in the context of a settlement of Navajo claims in the San Juan Basin. Support for the building of this pipeline is gaining momentum in Congress. Certainty of Indian Water rights in the San Juan Basin will provide for the economic future of the basin. Without settlement, there will continue to be uncertainty of all water rights in the basin. Development of the Basin may be impaired in the decades to come because of the present cloud of uncertainty. This uncertainty may not be fully understood now, but as the region grows, it is safe to predict that this uncertainty will significantly hurt the growth of this Basin.

Settlement discussions with the Jicarilla Apache Tribe began in the late 1980's. After completion of settlement discussion, the settlement was brought before the San Juan Adjudication Court. This court subsequently produced an Order which defined the water rights of the Jicarilla. I suspect this will be the same path that will be followed if negotiations with the Navajos are successful. The Court will be asked to issue a partial final decree on the Navajo right. Ultimately, the State's intention is to completely adjudicate all rights in the San Juan Basin. The 1948 San Juan County Court Decree set forth rights by non-Indians in the Basin. It did not include the Navajo Nation or Jicarilla rights. The current San Juan Adjudication will cover claims by Indians, non-Indians, and the United States.

A water right that is defined by a Court provides much certainty. Adjudicated water rights are the key to providing a viable water market in this area. An adjudication provides certainty about the nature and extent of water rights because they are judicially determined. As challenges to New Mexico's water supply increase, and as more and more demand for new water sources arises from entities such as municipalities and commercial interests, only those rights that have been adjudicated will be marketable at low risk to the purchaser. Adjudicating New Mexico's water rights is essential to protect New Mexico water and will allow for orderly development to occur.

The recent 2000 census confirmed that the State of New Mexico is growing. Among the western states, New Mexico now ranks 8th in growth.

New Mexico is almost a desert. New Mexico's water resources for people to use are finite. And in a desert, not everyone can have all the water they want. As the State grows and water becomes more and more scarce, water availability will ultimately define the future of New Mexico.

New Mexico is experiencing a period of rapid population growth. Its population over the past 4 decades has almost doubled. The Denver Post recently carried a projection on its front page that New Mexico's population will grow by almost 85% over the next 50 years.

I want to move now to the hydrologic determination. One of the initial steps in an Indian

Settlement is a determination of where the water will come from for the settlement as well as for any infrastructure project that is a part of the settlement. This determination is typically done by the Bureau of Reclamation in concert with the State of NM. This determination is very important.

Last year, the City of Gallup and the Navajo Nation requested a new hydrologic determination be done. Although it appeared for a while that the Bureau was going to not work with the State in preparation of this new hydrologic determination, we are hopeful for a new spirit of cooperation with this Federal Agency. Because the state is a signatory to the Upper Basin and Colorado River compacts, it is appropriate that NM be involved in any hydrologic determination.

Recently, the Interstate Stream Commission has developed a preliminary hydrologic determination. The numbers inside this set of computations will form the basis of the Navajo-Gallup Water Supply project, which in turn is a key component to any Indian Water Right Settlement. The document is further key to the amount of water that is available for non-Indian water use in the Basin. John Whipple, who is a staff engineer with the Commission, will explain to you this draft document.

I now want to discuss the Animas La Plata Project. This is a project which has evolved over the decades. 50 years ago, this Project was envisioned to be an irrigation project. Through the years it transformed into a municipal and industrial water supply project for Indian and non-Indian communities in New Mexico. Throughout this evolution, the New Mexico Interstate Steam Commission has remained an avid supporter of this project—

specifically because it has the opportunity to provide a dependable water supply.

This past year, in order to allow the project to move forward, the San Juan Water Commission agreed to reduce their depletions from the Project—specifically from 15,400 afy to 10,400 afy. Two weeks ago we received a letter from the Commission asking us to review a draft Amendatory Repayment Contract. Last week we received a copy of an alternate Contract from the Bureau of Reclamation. It is not the same as the contract we received from this Commission.

We have completed a preliminary review of documents. We would be happy to meet to discuss particular issues. I would, however, like to address some broad issues.

The intention of the ALP project is to provide a reliable supply of water. We are concerned that the contract does not meet this primary objective. Part of the issue revolves around the assignment of an earlier water right permit to the project beneficiaries.

We believe that this concern can be adequately addressed by initiating discussions with the State of Colorado on how they intend to protect Project water so that it arrives undiminished at the NM state line. The Animas La Plata Project Interstate Compact will provide the basis for these negotiations. We are concerned that Project water may be diverted by persons in Colorado who have water rights with post 1937 priority

This is an issue that we addressed on two other interstate rivers in recent years with

diversion dams being located in one state and project beneficiaries in another state.

Working with Colorado on the Costillo Creek, we have been able to develop a document that describes the operation of the system—a document designed to insure that the downstream state does receive its fair allotment. On another project in the Lower Rio Grande, this exact issue is under considerable discussion and may ultimately lead to litigation between NM and Texas before the United States Supreme Court. From the complexities of this issue, we have learned one thing. It is better to address the issue now, rather than wait for it to surface many decades down the road.

The federal legislation that authorized the current Project states that upon the request of the State Engineer, the Secretary of the Interior shall, as soon as practicable assign to the NM ALP project beneficiaries, the Department of Interior's interest in Permit 2883 in order to fulfill the New Mexico non-Navajo purposes of the project.

We are willing to make this request. However, to do so, we must be able to have quantities to assign to New Mexico Project Beneficiaries—more specifically how is the 10,400 afy to be divided up. In adjudication litigation both in the Lower Rio Grande and the Carlsbad Irrigation District, we have successfully taken the position that it is not the United States, not the Irrigation Districts, but rather the farmers who have put the water to beneficial use who therefore own the water rights. This same principal applies to the ALP project beneficiary assignment. In this case, it is the Cities or the rural water associations who will put the project water to beneficial use and this is whom we will make the assignment to. We are well aware that the Cities and the County have entered into a joint powers agreement and this agreement will be considered in acting

on the assignment request.

As I recall, the original joint powers agreement forming the SJWC set forth the breakout of waters from the ALP project, but unfortunately the project that was envisioned a decade ago has now been downsized.

Because of the downsizing, Permits 4487 through 4501 are going to have be revisited so that they can be integrated with the final ALP Project authorized by Congress.

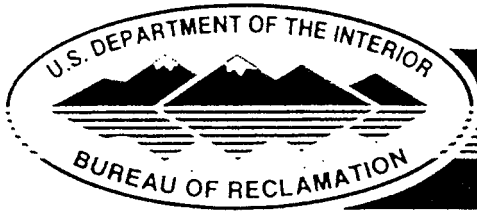
There are other areas of the proposed contract we have concerns over. As an example, we are concerned over the language that gives conclusive decision making authority to the United States during times of shortage. This provision may work against NM interests. Because of our experiences on this issue, we must insure that these types of protection for NM interests are included in any contract.

My last issue relates installation of metering and appointment of water masters. The waters of the State, as they become scarcer, will need to become actively managed. One tool of management is measurement. Monies have been appropriated to the Interstate Stream Commission to install measurement devices on irrigation works within the Basin. At some point in the future, a water master will have to be appointed through the Courts to actively regulate diversions within the Basin. This is necessary to protect both senior and junior water right holders.

In closing, this area has a number of major water issues. There are actives which the

State is involved within which will have a significant influence on water in this Basin. This activities are inter-related and the challenges are large. The next decade will be critical. To bring economic certainty, the State is moving rapidly forward with negotiations with the Navajo Nation. In the future, the San Juan River must be completely adjudicated. An adjudication will provide greater certainty about the nature and extent of water rights to farmers and other water right claimants in the region. This adjudication is necessary to build the proper and necessary foundation for a future efficient water market. Water markets are the key to meeting any future water supply needs of the region. Until the adjudication is complete, my office will work this Commission, the cities, the County, the Navajo Nation, the State of Colorado , the Bureau of Reclamation, and other entities in the region, within the constraints of state water law, to offer interim solutions for their nearer-term water supply needs.

San Juan - 3
A18



UPPER COLORADO REGION

NEWS RELEASE

Western Colorado Area Office
Durango, Colorado
Patrick Schumacher (970) 385-6590
For Release August 14, 2001

Reclamation Continues Animas-La Plata Project Repayment Contract Negotiations with San Juan Water Commission

The next meeting in a series of negotiation sessions will be held to discuss the terms of an amendatory repayment contract for the Animas-La Plata Project. The meeting between the San Juan Water Commission and the Bureau of Reclamation is scheduled for Tuesday, August 21, 2001, at 1:00 p.m., in the Farmington Council Chambers in the Farmington Municipal Building, 800 Municipal Drive, Farmington, New Mexico.

The San Juan Water Commission's 1990 Repayment Contract is being amended because of changes to the Animas-La Plata Project as a result of the Colorado Ute Settlement Act Amendments of 2000. The amendatory contract will:

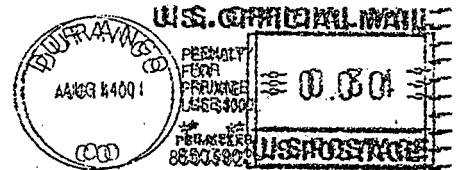
- Provide for storage and delivery of project water
- Identify the amount of construction costs the Commission will pay the Federal Government
- Provide for operation and maintenance of the project

The negotiation meetings are open to the public as observers, and questions pertaining to the contract may be asked during a 30 minute public comment period at the end of each negotiation session.

Copies of the proposed contract and other pertinent documents will be available at these meetings, or can be obtained from the Animas-La Plata Project web site at <http://www.uc.usbr.gov/progact/animas/index.html>. Copies are also available by contacting Dick Gjere, Bureau of Reclamation, 835 East Second Avenue, Suite 300, Durango, Colorado 81301, telephone (970) 385-6531. Any changes of time and place of the negotiation meetings will be announced on the above web site, and on Reclamation's toll-free phone number at (866) 720-0918. After negotiation of a final draft amendatory contract, Reclamation will provide an opportunity for the public to submit written comments on the draft amendatory contract.

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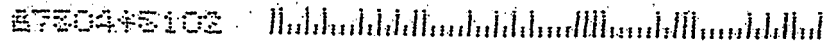
Bureau of Reclamation
Western Colorado Area Office
335 E 2nd Ave, Suite 300
Durango CO 81301



JOHN WHIPPLE
WATER RESOURCE ENGINEER
NEW MEXICO INTERSTATE STREAM COMMISSION
PO BOX 25102
SANTA FE NM 87504-5102



12819



ISC San Juan - 3
AJP

San Juan Water Commission

800 MUNICIPAL DRIVE • FARMINGTON • NEW MEXICO • 87401 • 505-599-1462 • FAX 505-599-1463

MEMBERS:
City of Aztec
City of Bloomfield
City of Farmington
San Juan County
S.J. County Rural Water Users Assoc.

el. Jju

July 24, 2001

Office of the State Engineer
Mr. Tom Turney, State Engineer
PO Box 25102
Santa Fe, NM 87504-5102

2001 JUL 29 AM 9:33
OFFICE OF THE
STATE ENGINEER, N.M.
A.S.D. SANTA FE, N.M.

Re: Invitation to the August 1, 2001 San Juan Water Commission Meeting

Dear Mr. Turney:

At the July 11, 2001 regular meeting of the San Juan Water Commission, Councilor Mary Fischer, speaking for the City of Farmington, asked the Commission to arrange a meeting with you to discuss a variety of water issues and concerns including issues relating to the Animas-La Plata Project. In response to Councilor Fischer's request, the San Juan Water Commission would like to invite you to participate in the San Juan Water Commission's regular meeting, scheduled for August 1, 2001. Please contact me if you plan to attend the August 1, 2001 meeting or, if you are unable to attend, to arrange a date when you are available, for a special meeting.

We recognize the importance your participation in any discussion on water issues plays and look forward to meeting with you soon.

Sincerely,



L. Randy Kirkpatrick
Executive Director

CC: City of Farmington

San Juan - 6
RB

John Whipple

From: h2orus
Sent: Tuesday, July 03, 2001 8:34 AM
To: sjrp-combined
Subject: Additional Comments on 2002 Biology Committee Work Plans

Water Consult Engineering and Planning Consultants

535 North Garfield Avenue Loveland, Colorado 80537 Ph: 970-667-8690 FAX: 970-667-8692

MEMO TO: Coordination Committee, San Juan River Basin Recovery Implementation Program
cc: Biology Committee

FROM: Tom Pitts, Water Development Representative

SUBJECT: Additional Comments on 2002 Biology Committee Work Plans

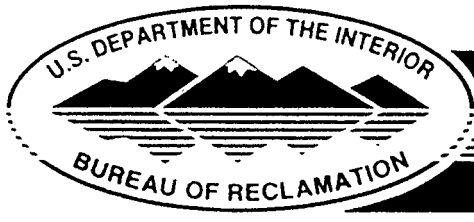
Prior to the June 19 Coordination Committee meeting, we had submitted comments on the 2002 Biology Committee work plans. At the Coordination Committee meeting it was agreed that any additional comments would be submitted by July 3. I have the following additional comments:

Five Year Data Integration and Synthesis: A cost of \$200,959 is extremely high for this effort, particularly as described in the two page proposal. Additional information is needed, including a list of tasks to be completed by each contractor and a break down by task of labor categories, labor cost, and hours.

If you have any questions regarding these additional comments, please contact me at your convenience.

(1804-14-05-i)

San Juan - 3
ALP



UPPER COLORADO REGION

NEWS RELEASE

Western Colorado Area Office
Durango, Colorado
Patrick Schumacher (970) 385-6590
For Release June 29, 2001

**Reclamation Continues Animas-La Plata Project Repayment Contract
Negotiations with San Juan Water Commission**

The next two meetings in a series of negotiation sessions will be held to discuss the terms of an amendatory repayment contract for the Animas-La Plata Project. The meetings between the San Juan Water Commission and the Bureau of Reclamation are scheduled to be held in the Executive Conference Room at the Farmington City Hall, 800 Municipal Drive, Farmington, New Mexico on the following dates:

- Tuesday, July 10, 2001, at 12:00 noon
- Tuesday, July 24, 2001, at 12:00 noon

The San Juan Water Commission's 1990 Repayment Contract is being amended because of changes to the Animas-La Plata Project as a result of the Colorado Ute Settlement Act Amendments of 2000.

The amendatory contract will:

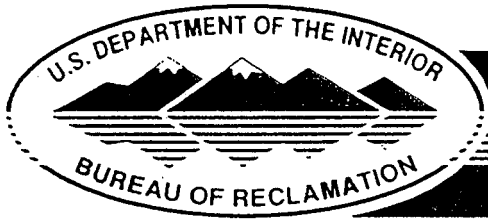
- Provide for storage and delivery of project water
- Identify the amount of project construction costs the Commission will pay the Federal Government
- Provide for operation and maintenance of the project

The negotiation meetings are open to the public as observers, and questions pertaining to the contract may be asked during a 30 minute public comment period at the end of each negotiation session.

Copies of the proposed contract and other pertinent documents will be available at these meetings, or they can be obtained from the Animas-La Plata Project web site at <http://www.uc.usbr.gov/special/alp/index.html>. Copies are also available by contacting Dick Gjere of the Bureau of Reclamation, 835 East Second Avenue, Suite 300, Durango, Colorado, 81301, telephone (970) 385-6531. Any changes of time and place of the negotiation meetings will be announced on the above web site and on Reclamation's toll-free phone number at (866) 720-0918. After negotiation of a final draft amendatory contract, Reclamation will provide an opportunity for the public to submit written comments on the draft amendatory contract.

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San Juan - 3
cc: ALP
JJW



UPPER COLORADO REGION
NEWS RELEASE

Western Colorado Area Office
Durango, Colorado
Patrick Schumacher (970) 385-6590
For Release June 19, 2001

**Animas-La Plata Project Repayment Contract Negotiations
with San Juan Water Commission Continue**

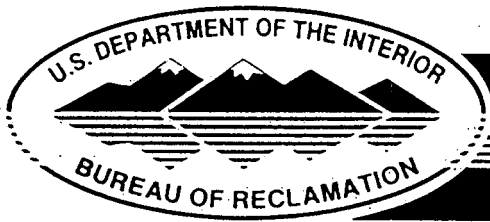
The second meeting in a series of negotiation sessions will be held to discuss the terms of an amendatory repayment contract for the Animas-La Plata Project. The meeting, between the San Juan Water Commission and the Bureau of Reclamation, is scheduled for Tuesday, June 26, 2001, at 12:00 p.m. in the Executive Conference Room at the Farmington City Hall, 800 Municipal Drive, Farmington, New Mexico.

The San Juan Water Commission's January 8, 1990, Repayment Contract is being amended because of changes to the Animas-La Plata Project as a result of the Colorado Ute Settlement Act Amendments of 2000, Public Law 106-554. The amendatory contract will provide for storage and delivery of project water, identify the amount of project construction costs to be paid to the Federal Government by the Commission, and provide for operation and maintenance of the project.

The negotiation meetings are open to the public as observers, and questions pertaining to the contract may be asked during a 30 minute public comment period at the end of each negotiation session. The proposed contract and other pertinent documents will be available at the June 26 meeting, or they can be obtained from Reclamation's Animas-La Plata Project web site at <http://www.uc.usbr.gov/special/alp/index.html>. Copies are also available by contacting Dick Gjere of the Bureau of Reclamation, 835 East Second Avenue, Suite 300, Durango Colorado, 81301, telephone (970) 385-6531. After negotiation of a final draft amendatory contract, Reclamation will provide an opportunity for the public to submit written comments on the draft amendatory contract.

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San Juan - 3
KCAP
JSW



UPPER COLORADO REGION

NEWS RELEASE

Western Colorado Area Office
Durango, Colorado
Patrick Schumacher (970) 385-6590
For Release June 5, 2001

**Reclamation to begin Animas-La Plata Project Repayment Contract
Negotiations with San Juan Water Commission**

Carol DeAngelis, Area Manager of the Bureau of Reclamation's Western Colorado Area Office, announced today that the San Juan Water Commission of New Mexico and Reclamation will begin negotiations on a proposed amendatory repayment contract for the Animas-La Plata Project. The first negotiation meeting is scheduled for Tuesday, June 12, 2001, at 1:00 p.m. in the City Council Chambers at the Farmington City Hall, 800 Municipal Drive, Farmington, New Mexico. This is the first of what could take several negotiation sessions to complete.

The San Juan Water Commission's January 8, 1990, Repayment Contract is being amended because of changes to the Animas-La Plata Project as a result of the Colorado Ute Settlement Act Amendments of 2000, Public Law 106-554. The amendatory contract will provide for storage and delivery of project water, identify the amount of project construction costs to be paid to the Federal Government by the Commission, and provide for operation and maintenance of the project.

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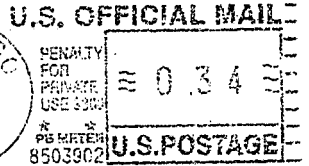
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INTERSTATE STREAM COMM
STATE ENGINEER OFFICE
SANTA FE, NEW MEXICO
2001 JUN 12 PM 8:22

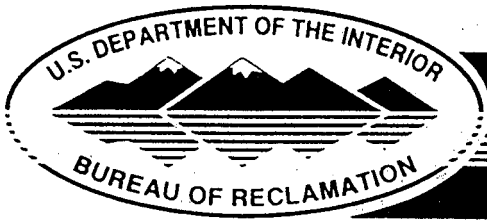
Bureau of Reclamation
Western Colorado Area Office
835 E 2nd Ave, Suite 300
Durango CO 81301

2001 JUN -7 AM 9:40
OFFICE OF THE
STATE ENGINEER
A.S.D. SANTA FE, NM

THOMAS C TURNEY
STATE ENGINEER
STATE OF NEW MEXICO
PO BOX 25102
SANTA FE NM 87504-5102



San Juan -3
ALP



UPPER COLORADO REGION

NEWS RELEASE

Western Colorado Area Office
Durango, Colorado
Patrick Schumacher (970) 385-6590
For Release June 5, 2001

Reclamation to begin Animas-La Plata Project Repayment Contract Negotiations with San Juan Water Commission

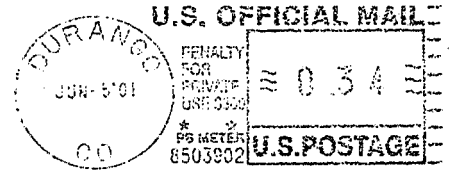
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Bureau of Reclamation
Western Colorado Area Office
835 E 2nd Ave, Suite 300
Durango CO 81301



2001 JUN -7 JOHN WHIPPLE
WATER RESOURCE ENGINEERING SPECIALIST II
OFFICE OF THE STATE ENGINEER
NEW MEXICO INTERSTATE STREAM COMMISSION
A.S.D. SANTA FE, NM
PO BOX 25102
SANTA FE NM 87504-5102



MESSAGE

Dated: 5/1/01 at 20:38

Subject: NEW MEXICO OPEN RECORDS ACT REQUEST STATE ENGINEER
Sender: scone /mime (scone@infoway.lib.nm.us)

Contents: 2

*San Juan-3
ALP*

Item 1

FROM: scone /mime (scone@infoway.lib.nm.us)
TO: tturney /mime (tturney@seo.state.nm.us)
psaavedra /mime (psaavedra@seo.state.nm.us)
ecoriz /mime (ecoriz@seo.state.nm.us)
CC: jwhipple /mime (jwhipple@seo.state.nm.us)
tzokan /mime (tzokan@seo.state.nm.us)

Item 2

ATTENTION: NEW MEXICO OPEN RECORDS ACT REQUEST
(transmitted electronically)
1 May 2001
May Day

"electors Concerned about Animas Water" -- CAW
1217 Chaco Avenue
Farmington, NM 87401

Tom Turney, New Mexico State Engineer
Office of the State Engineer
PO BOX 25102
Santa Fe, New Mexico 87504-5102

Dear Mr. Turney:

As you well know, it is the mandate of the Office of the State Engineer (OSE) to maintain a constant vigil to protect the State of New Mexico's (State) authority over its waters. In fact the New Mexico State Constitution declares New Mexico water to be the property of the public, and this treasured resource must be closely guarded.

In 1995, at the request of OSE, the Governor created the position of Special Assistant to the State Engineer on Indian Water Resources to promote greater cooperation on water issues between tribal and state governments. Since its inception, Ernest Coriz has acted as Special Assistant to the State Engineer on issues of Indian water resources. The program is said to be aimed at promoting a spirit of cooperation, coordination, communication and good will, and to address issues of mutual concern through a process beginning with negotiations on behalf of each sovereign. The program is said to advocate equal protection of all water users and emphasize conservation, the development of feasible alternative water supplies, and the State's primary role in the management, planning and development of creative solutions for water administration. Through this program, OSE is said to assist tribes in planning and implementing water management policies and promoting intertribal and intergovernmental efforts. For a number of years now, Special Assistant Coriz has sponsored meetings with the Navajo Nation (Navajo) in an ongoing effort to resolve problems in the settlement of the Navajo water claims without costly litigation.

In addition to working with the Navajo, the Special Assistant has responded on behalf of OSE to requests for information from legislative committees and other participants in these water right negotiations.

(1) PLEASE PROVIDE ACCESS TO THE IDENTITIES OF ALL STAKEHOLDERS/PARTIES POTENTIALLY AFFECTED BY THIS CLOSED NEGOTIATION PROCESS.

In the 1996-97 fiscal year, through the efforts of Special Assistant Coriz, the State and the Navajo reached a formal agreement to try to settle the Navajo's contested water rights in the San Juan River stream system. The water resources within the San Juan River Basin -- subject of an ongoing lawsuit to determine disputed water rights in the system -- are of vital importance to both the Navajo and the State.

The negotiations between the State and the Navajo, which began with a

government-to-government agreement reached in fiscal year 1996-97, are ongoing. OSE has recently noted that discussions pertaining to the Navajo's rights to the use of water from the San Juan River and in the San Juan Basin have progressed to a more informative level for both sides. The negotiation process is characterized as "complex". In addition to the difficult questions of water rights and water uses, the negotiations have dealt with the San Juan River Basin Recovery Implementation Program for the river's endangered fish, the Navajo Indian Irrigation Project, and the San Juan/Chama Diversion Project, as well as the proposed construction of the revised Animas-La Plata Project (A-LP).

The "Colorado Ute Settlement Act Amendments of 2000", as authorized by the 106th Congress in Public Law 106-554; 114 Stat. 2763A-258-266, hold that no part of the Act "shall be construed to quantify or otherwise adversely affect the water rights and claims to entitlement to water of the Navajo Nation." This can be understood to mean that Navajo benefits from A-LP will have no bearing on a final settlement of Navajo water claims in the San Juan Basin.

(2) PLEASE PROVIDE ACCESS TO THE STATE'S FORMAL AGREEMENT REACHED WITH THE NAVAJO AND A COMPREHENSIVE LIST OF ALL OSE MEETINGS WITH THE NAVAJO, ALONG WITH LISTS OF ALL PARTICIPANTS IN THESE MEETINGS.

Appendix I of OSE's 1998/1999 Annual Report states, "The State of New Mexico is facing claims from the Navajo Nation. The Nation claims more water than New Mexico's entire allotment under the Upper Colorado River Compact. That claim, if granted, could mean all water for the Farmington and the San Juan Basin region would be under control of the Navajo Nation. The State Engineer is currently in the process of seeking negotiation of those claims, but will need more funding to do so, especially if the Navajo's bring the United State's legal and technical resources to the negotiations as they have requested."

Further, in Appendix A of OSE's 1999/2000 Annual Report states, "Negotiations with the Navajo continue."

(3) PLEASE PROVIDE ACCESS TO ALL RECORDS ASSOCIATED WITH A-LP STEMMING FROM SPECIAL ASSISTANT CORIZ'S MEETINGS WITH THE NAVAJO.

On April 10, 2000, OSE submitted specific comments to the Bureau of Reclamation (BOR) on behalf of the State with respect to the Draft Supplemental Environmental Impact Statement (DFSEIS) for the A-LP. On Page 8 of those comments OSE states, "New Mexico fully supports authorization of construction of the (Navajo Nation municipal pipeline) described as alternative NNMP-1 as a non-reimbursable feature. Our support for the Navajo Nation municipal pipeline assumes that the Navajo Nation will not file additional claims against the New Mexico non-Indian beneficiaries of the project (A-LP)." BOR neither noted nor responded the State's comment .

(4) OSE's DFSEIS A-LP COMMENT (ABOVE) SPECIFICALLY REFERS TO A DOCUMENTED HISTORY OF NAVAJO CLAIMS AGAINST ONE OR MORE OF THE NEW MEXICO NON-INDIAN A-LP BENEFICIARIES -- NAMELY THE LA PLATA CONSERVANCY DISTRICT OF NEW MEXICO (DISTRICT) AND THE SAN JUAN WATER COMMISSION (COMMISSION). PLEASE PROVIDE ACCESS TO ALL RECORDS REFERENCING SUCH CLAIMS BY THE NAVAJO AGAINST THE DISTRICT AND THE COMMISSION.

While Public Law 106-554; 114 Stat. 2763A-258-266 features the non-reimbursable Navajo Nation municipal pipeline, it fails to provide the required protection for New Mexico non-Indian A-LP beneficiaries from any (further) water claims brought by the Navajo. The State's support for the Navajo Nation municipal pipeline, as a non-reimbursable feature of A-LP, was specifically predicated on the Navajo's waiver of any such future water claims against the State's non-Indian A-LP beneficiaries.

(5) PLEASE PROVIDE ACCESS TO ALL RECORDS ADDRESSING THE STATE'S OBLIGATION OR INTENT TO CONTEST A-LP'S NON-REIMBURSABLE NAVAJO NATION MUNICIPAL PIPELINE AS CURRENTLY AUTHORIZED IN PUBLIC LAW 106-554; 114 STAT. 2763A-258-266. IN ADDITION, PLEASE PROVIDE ACCESS TO ALL

DOCUMENTATION OF THE STATE'S ASSESSMENT OF THE CONTINUED VULNERABILITY OF THE COMMISSION OR THE DISTRICT TO FUTURE NAVAJO CLAIMS TO SAN JUAN BASIN WATER.

Irrigators in San Juan County are not participants and would reap no benefit from A-LP as authorized. The State's support for the Colorado Ute Tribes' controversial claims and the State's position that only New Mexico's non-Indian A-LP M&I beneficiaries be offered future protection from Navajo claims, dramatically exacerbates the risk that San Juan County irrigators will be forced to bear the brunt of the pending San Juan Basin adjudication of Navajo Nation water rights. On October 14, 1997, the State Engineer said, "No one knows exactly what the claims are that the (Colorado Ute Tribes) would have presented. They settled for a lesser amount than was originally claimed. It is interesting now that they have gone into the A-LP Lite project, that they are willing to settle for even a lesser amount. And this does signal to me that their attorneys (if they had gone to court) might not have been able to substantiate those higher claim numbers. The claims that Indian Tribes make are absolutely enormous. Their claims are very extensive." (Tom Turney, Public Statement, Farmington Municipal Complex)

(6) PLEASE PROVIDE ACCESS TO ALL RECORDS DOCUMENTING THE STATE'S VERIFICATION OF THE COLORADO UTE TRIBES' ENTITLEMENT TO THE ALLOCATIONS OF ANIMAS RIVER WATER ALLOWED THEM IN A-LP. ALSO PROVIDE ACCESS TO ANY RECORDS ADDRESSING THE UTE MOUNTAIN UTE TRIBE'S NEW MEXICO WATER CLAIMS.

Public Law 106-554 allocates 2,340 afy depletion to the Navajo Nation, and in Sec.15(b) provides for a Navajo pipeline to convey "municipal water supplies, in an amount not less than 4,680 acre-feet per year."

(7) PLEASE PROVIDE ACCESS TO ALL DOCUMENTS AND RECORDS IN REFERENCE TO AN "APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC SURFACE WATERS OF THE STATE OF NEW MEXICO" AND ASSOCIATED RETURN FLOW PLAN, FOR THE DIVERSION OF 4,680 ACRE-FEET PER YEAR OF ANIMAS RIVER WATER IN CONNECTION WITH THE NAVAJO ALLOCATION OF 2,340 AFY DEPLETION THROUGH A-LP.

No State entity is party to the Colorado Ute Indian Final Water Rights Settlement Agreement of 1986 and the Colorado Ute Tribes hold no adjudicated rights to Animas River water--only a stipulated "Final" Decree from Colorado Water Court No. 7 which must be substantially amended or brought ne novo. The Navajos have no legitimate claim to water from the Animas River, as it does not flow through or appurtenant to Navajo Land. Public Law 106-554, Sec.15(c), states, "PROTECTION OF NAVAJO WATER CLAIMS--Nothing in this Act, including the Permit assignment authorized by subsection (a) shall be construed to quantify or adversely affect the water rights and claims to entitlement to water of the Navajo Nation."

(8) PLEASE PROVIDE ACCESS TO ALL RECORDS SHOWING EVIDENCE THAT THE NAVAJO A-LP ALLOCATION OF 4,680 ACRE-FET PER YEAR DIVERSION OF MUNICIPAL WATER WILL OR WILL NOT BE FACTORED INTO TERMS OF A FINAL SETTLEMENT OF NAVAJO CLAIMS TO WATER IN THE SAN JUAN BASIN.

On January 16, 2001, Executive Director L. Randy Kirkpatrick applied to the New Mexico State Engineer for permission to divert 48,000 afy of Animas River water to be held by the Commission for its beneficial use in connection with its interest in New Mexico State Engineer Permit Number 2883 in relation to Public Law 106-554, Sec.15(a). In his letter covering that Application, Mr. Kirkpatrick says that President Clinton on December 21, 2000, "enacted a Congressional determination . . . to deauthorize the original, larger A-LP." The New Mexico State Engineer has recently been overheard to say that the water applied for by the Commission is currently unavailable because the original Animas-La Plata Project has NOT been deauthorized.

(9) PLEASE PROVIDE ACCESS TO ANY AND ALL WRITINGS REFERENCING THE COMMISSION'S JANUARY 16, 2001 APPLICATION, AS WELL AS ANY WRITINGS INDICATING THE OSE'S INTENTION TO REQUEST ASSIGNMENT OF THE DEPARTMENT OF THE INTERIOR'S INTEREST IN NEW MEXICO STATE ENGINEER PERMIT 2883.

By virtue of its status as an agency of the State of New Mexico, the New Mexico State Engineer's Office is subject to New Mexico's Inspection of Public Records Act (NMSA 1978, Chapter 14, Article 2). Section 14-2-1 of this Act states that every person has a right to inspect any public records of this State save those which are specifically excepted. Section 14-2-8 sets forth the requirements for a written request to view such records and the requirement that the custodian of those records permit the inspection within fifteen (15) days or explain in writing, within three (3) business days after receipt of the request, when that request will be acted upon.

We look forward to your timely written reply in compliance with provisions of the New Mexico Inspection of Public Records Act as stated above.

Sincerely,

Steve Cone, Director CAW
(505) 327-0743
Verna Forbes Willson, Secretary/Treasurer CAW
(505) 326-2417

A-LP CENTRAL
<http://www.angelfire.com/al/alpcentral>
in defense of the Animas & LaPlata rivers

KOGOVSEK & ASSOCIATES, INC.

Whipple
P. Montoya
San Juan - 3
ALP

Fax Cover Sheet

TO: Ernest House and Tribal Council
Leonard Burch and Tribal Council
Lynn Herkenhoff (for Griswold)
David Liberman
Randy Kirkpatrick
Tom Turney, Norm Gaume
Don Schwindt
Dan Israel
Fred Kroeger

Kent Holsinger
Scott McElroy
Sam Maynes
David Robbins
Peter Carlson
Stanley Pollack
Wendy Weiss
Stella Montoya
Charlie Blassingame

FROM: Christine Arbogast

DATE: 4/26

TOTAL PAGES: 12

If any problems occur with this transmittal, call 303-893-2780.

Attached please find budget justification on ALP, plus Bill McDonald's testimony before House Appropriations this morning. See pages 4, 7 and 8 re ALP and endangered species.

OSE-1853

**Animas-La Plata Project
Colorado River Storage Project
Participating Project**

LOCATION: This project is located in southwestern Colorado and northwestern New Mexico.

DESCRIPTION/JUSTIFICATION: A Final Supplemental EIS (FSEIS) to the 1996 Final Supplement to the Final Environmental Statement for the Animas-La Plata Project was filed with EPA on July 14, 2000. A Record of Decision was signed on September 25, 2000. The decision adopted Reclamation's recommended alternative, a modified version of the Administration proposal made in August 1998. Implementation of this alternative will: fulfill the federal governments' trust responsibility to address the Colorado Ute Tribes' water rights; respect existing water rights held by non-Indian water users throughout the basin; furnish the Navajo Nation with a water supply; allow for domestic use in the Shiprock, New Mexico area and a pipeline to deliver that supply; allow for additional municipal and industrial water for non-Indian communities in the Four Corners area; and provide an increased level of certainty for water managers in the San Juan Basin.

The Colorado Ute Settlement Act Amendments of 2000 (Title III of Public Law 106-554, December 21, 2000) provides for implementation and completion of the development of the Animas-La Plata Project. The basic facilities to be constructed are: Ridges Basin Dam and Reservoir; Durango Pumping Plant; Ridges Basin Inlet Conduit; and the Navajo Nation Municipal Pipeline. Other significant activities include fish, wildlife, wetlands, and cultural resources mitigation.

AUTHORIZATION: P.L. 90-537, Colorado River Basin Project Act, September 30, 1968; P.L. 96-301, Protect Archeological Resources in Southwestern Colorado, July 2, 1980; P.L. 100-585, Colorado Ute Indian Water Rights Settlement Act of 1988, November 3, 1988 (1988 Settlement Act); and Title III of P.L. 106-554, Colorado Ute Settlement Act Amendments of 2000, December 21, 2000.

COMPLETION DATA: P.L. 106-554 authorizes the appropriation of necessary funds over a 5-year period, beginning in FY 2002, allowing for completion of the project in 7 years (FY 2002 - FY 2008).

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2001	FY 2002
Water and Energy Management and Development	\$1,013,200	\$8,629,000
Land Management and Development	400,000	1,600,000
Fish and Wildlife Management and Development	608,800	1,771,000
Total Program	\$2,022,000	\$12,000,000
Prior Year Funds	(22,000)	0
Enacted	\$2,000,000	\$12,000,000
Rescission (P.L. 106-554)	(4,000)	0
Total Reclamation Allotment	\$1,996,000	\$12,000,000

Animas-La Plata Project

Total Construction Costs to be Allocated

	Total Estimated Cost	Total to 9/30/00	FY 2001	FY 2002	Balance to Complete
Reclamation	1/	\$77,182,419	\$1,996,000	\$12,000,000	1/
Non-Federal	1/	199,500	0	0	1/
Total	2/ \$364,526,000	\$77,381,919	\$1,996,000	\$12,000,000	\$273,148,081

1/ Depends on outcome of ongoing cost-share discussions.

2/ Estimated October 2001 price level of revised project cost, not including interest during construction.

Construction Cost Allocation and Methodology

Allocation	FY 2001	1/	FY 2002
Irrigation	\$0		\$0
Municipal and Industrial	Unknown		Unknown
Recreation	Unknown		Unknown
Fish and Wildlife	Unknown		Unknown
Other	Unknown		Unknown
Total	Unknown		Unknown

1/ Since the revised allocation is not available, the cost allocation to the project functions cannot be determined, except for irrigation, which is not a project purpose.

APPROPRIATION CEILING: In response to the Office of Inspector General's audit recommendations in its review of the Hoover Visitor Facilities Program, the appropriations ceiling for the Colorado River Storage Project authorized under Title V of P.L. 90-537 has been reexamined and re-estimated by participating project. Assuming the partitioned ceiling calculation for the Animas-La Plata Project as originally authorized would be \$525,484,000 (October 2000) the indexed costs for the project as defined in the July Final Supplemental EIS is \$364,526,000, not including interest during construction. Subsequently, P.L. 106-554 authorized appropriations to the Colorado Ute Settlement fund "... such funds as are necessary to complete construction on the facilities" authorized in that act.

WORK PROPOSED FOR FY 2002:

Water and Energy Management and Development - Begins gas pipeline relocation contract. Continues obtaining required rights-of-way for gas pipeline relocations, and design of Ridges Basin Dam and Durango Pumping Plant. Continues project support activities including: repayment agreement administration; design data collection; negotiations of P.L. 93-638 contracts; and project management. **\$8,629,000**

Land Management and Development - Continues cultural resource data recovery and managing project acquired lands. **1,600,000**

Fish and Wildlife Management and Development - Begins wetlands design and development on lands recently acquired for project mitigation. Continues required environmental baseline data collection and fulfilling fish, wildlife, wetlands, and water quality mitigation commitments and mitigation land purchase contract obligations. **1,771,000**

Reclamation Request **\$12,000,000**

Animas-La Plata Project

SEE APPENDIX FOR:

- Benefit Cost Ratios as of October 1, 2001
- Land Certification
- Project Repayment for FY 2002
- Status of NEPA Compliance
- Status of Repayment Contracts
- Summary of Irrigation Investment

*Statement of J. William McDonald
Regional Director, Pacific Northwest Region
U.S. Bureau of Reclamation
(Exercising the Commissioner's Authority)
before the
Senate Appropriations Subcommittee on Energy and Water Development*

April 24, 2001

Thank you Mr. Chairman and members of the subcommittee. I welcome the opportunity to appear before you today to support the President's Fiscal Year 2002 budget request for the Bureau of Reclamation, which totals \$783.5 million in current authority. The request includes \$20.0 million in new funds for the California Bay-Delta Restoration account, and \$763.5 million for Reclamation's traditional programs, a decrease of \$13.3 million from the FY 2001 enacted level of \$776.8 million.

Mission

As it approaches its 100th anniversary, the Bureau of Reclamation delivers 10 trillion gallons of water to over 31 million people in the 17 western states for municipal, rural, and industrial uses. Reclamation facilities store over 245 million acre-feet of water, servicing one of every five western farmers to irrigate about 10 million acres of land. These irrigated lands produce 60 percent of the nation's vegetables and 25 percent of its fruit and nuts. As the largest water resources management agency in the West, Reclamation administers or operates 348 reservoirs, 58 hydroelectric powerplants with an installed capacity of 14,744 megawatts. Reclamation manages approximately 8.6 million acres of Federal land, plus another 600,000 acres of land under easements. In addition, our facilities provide substantial flood control, recreation, and fish and wildlife benefits.

The economic viability, and in some cases the very survivability, of the citizens, ranchers, and farmers in the 17 western states depends on the effectiveness of Reclamation's stewardship of these valuable public resources. The Bureau of Reclamation, and its employees, take this responsibility and the mission of managing, developing and protecting water and related resources in an environmentally and economically sound manner in the interest of the American public very seriously.

The impact of Reclamation on the lives and livelihoods of our western citizens is highlighted by the following facts: Reclamation has emerged as the second largest producer of hydroelectric power and the 11th largest power producer in the United States with an average generation of more than 42 billion kilowatt hours of energy each year. Reclamation produces enough electricity to serve 14 million people, generating nearly a billion dollars in annual power revenues. In California, Reclamation's Central Valley Project generated more than 6.1 billion kilowatt hours of energy in 2000, enough power to serve approximately 1.9 million Californians.

FY 2002 Budget Request

The FY 2002 budget request demonstrates Reclamation's commitment to meeting the West's needs for water and power in a fiscally responsible manner. This budget continues the Bureau's shift in emphasis from the construction of large water projects and toward the management of these valuable public resources. In cooperation with state, tribal, and local governments, along with other stakeholders and the public at large, Reclamation offers workable solutions regarding water and power resource issues that are consistent with the ever growing demands for power and water, and with the need to pursue cost effective, environmentally sound approaches to meeting those demands.

Nevertheless, the transition from a facilities builder to a water and power service management agency has resulted in a new set of challenges for Reclamation. Growing demands from an aging infrastructure have compounded the need for technological upgrades, new science and technologies, and preventative maintenance to ensure reliability, increase output, and improve safety of operation. The growth of rural water projects serving Indian reservations where Reclamation funds operation and maintenance has put substantial pressure on our overall budget. The demand for skills in such areas as negotiating agreements with Tribal Governments, negotiating title transfer agreements, mediating disputes among stakeholders, and renewing existing contracts represent a formidable challenge in the human resource arena. Balancing the demand for service delivery with environmental concerns is an equal challenge. Complementing supply-oriented solutions with innovative approaches to power and water conservation and programs for wastewater recycling are being explored. Finally, as Reclamation attempts to keep pace with the technological revolution, our dependence on sophisticated computer systems presents new challenges in the areas of information system development, maintenance, and security. All of the above challenges place additional pressure on Reclamation's financial and human resources.

One of Reclamation's strategies for meeting these new challenges is to target its planning program and science and technology program to search for contemporary solutions. Financial resource constraints facing the Nation require a commitment to the use of decision support tools, including risk analyses, to develop only the most efficient and cost-effective solutions to the complex challenges that we face.

Every day we see immediate water resource needs important to our state, local and tribal partners. Many states are developing state-wide water plans or drought contingency plans, for instance, to address resource utilization and stewardship against the backdrop of large population increases and the growing notion of sustainable development. Reclamation, in partnership with other federal, state, local, tribal, and private entities, has consistently proven its ability to help assess the potential for optimum water use within a river basin or sub-basin. This technical capability is one of our most valuable resources.

Some of Reclamation's budget priorities as we continue into the new millennium are:

- ensure the safety and reliability of Reclamation dams;
- fund projects currently under construction;
- ensure environmental compliance;
- develop partnerships with customers, states and tribes;
- continue investments in science and technology to meet the growing water-related resources challenges facing the west in a more efficient and cost-effective manner; and
- optimize results-oriented business practices to provide the most effective and efficient service to customers, partners and employees.

Water and Related Resources

The FY 2002 request for the Water and Related Resources account is \$648.0 million, a decrease of \$31 million from the FY 2001 enacted level. The request provides funding for five major program activities -- Water and Energy Management and Development (\$257.7 million), Land Management and Development (\$33.9 million), Fish and Wildlife Management and Development (\$85.5 million), Facility Operations (\$158.1 million), and Facility Maintenance and Rehabilitation (\$146.6 million). The request is partially offset by an undistributed reduction of \$33.8 million, in anticipation of delays in construction schedules and other planned activities.

The request continues to emphasize the operation and maintenance of Reclamation facilities in a safe, efficient, economic, and reliable manner; sustaining the health and integrity of ecosystems while addressing the water needs of a growing population; and assisting states, tribes, and local entities in solving contemporary water resources issues.

Highlights of the FY 2002 request include:

Safety of Dams (\$74.6 million). The safety and reliability of Reclamation dams is one of the Bureau's highest priorities. Dam safety corrective actions and site security improvements are among the activities funded by facility operation, maintenance, and rehabilitation. The FY 2002 request of \$74.6 million for the Safety of Dams Evaluation and Modification Program, including Horsetooth Dam in Colorado and Wickiup Dam in Oregon, provides for risk management activities throughout Reclamation's inventory of 358 dams and dikes, plus preconstruction and construction activities for up to 17 dams identified for funding through the Safety of Dams Program. The FY 2002 request includes \$1.7 million for the Department of the Interior Dam Safety Program.

monitoring, and evaluation as well as significantly increased regional coordination efforts. These actions are intended to protect and aid in recovery of 12 species of anadromous fish.

Garrison Diversion Unit in North Dakota (\$25.2 million). Funds are requested for grants to the State of North Dakota for municipal, rural, and industrial water projects, for development of Indian irrigation facilities, for work at several wildlife refuges, and for operation and maintenance of completed project facilities.

Klamath Project in California and Oregon (\$12.7 million). The request continues funding for studies and initiatives related to improving water supply and quality to meet agriculture, tribal, wildlife refuge, and environmental needs in the Klamath River Basin; and for improvements in fish passage and habitat.

Lower Colorado River Operations Program in California, Arizona and Nevada (\$13.1 million). This program funds work necessary to carry out the Secretary's responsibilities as water master of the lower Colorado River. It also funds measures required by the interim biological opinion on Reclamation's lower Colorado River operations, and development of a multi-species conservation program to provide a basis for Endangered Species Act compliance on the lower Colorado River over the long term.

Mid-Dakota Project in South Dakota (\$10.0 million.) This program provides for assistance for construction of water supply transmission lines and storage reservoirs.

Mni Wiconi Project in South Dakota (\$28.0 million). Funds are requested for design and construction activities on the Oglala Sioux, Rosebud Sioux, Lower Brule Sioux, and West River/Lyman-Jones Rural Water Systems; and for operation and maintenance of new and existing facilities on the three Indian reservations.

Water Reclamation and Reuse Projects Title XVI (\$19.5 million) This request continues funding for nine studies and projects to recycle and reuse water in the arid west. These projects over time will provide over 500,000 acre-feet of water annually to help the western states cope with drought and to meet the water needs of their rapidly growing population.

Yakima River Basin Water Enhancement Project (\$ 10.6 million) This request continues the implementation of water conservation, fish and wildlife improvements, and other measures authorized by the Yakima River Basin Water Enhancement Act.

Central Valley Project Restoration Fund

The FY 2002 Reclamation budget includes a request for \$55.0 million for the Central Valley Project Restoration Fund established by the Central Valley Project Improvement Act of 1992. The proposal is expected to be offset by discretionary receipts totaling \$44.9 million, which is the amount that can be collected from project beneficiaries under Sec. 3407(d) of the Act. These

funds will be used for habitat restoration, improvement and acquisition, and other fish and wildlife restoration activities in the Central Valley Project area of California.

California Bay-Delta Restoration

Consistent with the commitment to find long-term solutions to improving water quality, habitat and ecological functions, and water supply reliability, while reducing the risk of catastrophic breaching of Delta levees, the FY 2002 budget contains funds for Bay-Delta activities that can be undertaken within existing statutory authorities. The \$20.0 million requested in this account will be used for the Federal share of the Environmental Water Account and for costs associated with administrative support of the CALFED Program, which includes planning and management activities provided by Reclamation and through CALFED Program staff. In addition, the FY 2002 budget includes \$64.7 million in other BOR accounts for authorized activities that support Bay-Delta Program objectives and priorities.

Other Accounts

The request for Policy and Administration is \$53.0 million, which will be used to develop and implement Reclamation-wide policy, rules, and regulations, including actions under the Government Performance and Results Act, and to perform functions which cannot be charged to specific project or program activities covered by separate funding authority. These funds support general administrative and management functions throughout the 17 western states in Reclamation's service area and in its Washington office.

The FY 2002 request for the Loan Program is \$7.5 million to complete work on three small loan projects - Castroville Irrigation Water Supply, Salinas Valley Water Reclamation, and San Sevaine Creek located in California.

FY 2000 Accomplishments Highlights

While we have set our priorities for the future, we are very proud of the part Reclamation has played in the past, and I would like to mention some recent accomplishments.

Safety of Dams: In FY 2000, Reclamation completed Safety of Dams modifications at Bradbury (California), Pueblo (Colorado), and Willow Creek (Montana) Dams to address identified risks. Studies were completed on Safety of Dam improvements to Horsetooth Dam in Colorado, which provides municipal and industrial water to some of the fastest growing communities in the West.

Power: Reclamation met 100 percent of its project power commitments in FY 2000. Reclamation is among the lowest cost providers in the hydropower industry. The dependability and service reliability of California's power system experienced significant stress beginning in the summer of 2000. Scheduled and emergency operations of Reclamation hydroelectric facilities in the West assisted in alleviating some threats of brownouts and rotating outages

throughout California. As a partner with Western Area Power Administration and Bonneville Power Administration in the operation of the Federal hydroelectric generation and power transmission systems, the coordination and scheduling of outages is becoming increasingly more important. Reclamation developed processes to ensure that coordination between agencies is more formal while retaining the flexibility to respond to changing conditions that may impact outage schedules.

Drought: Reclamation's Drought Emergency Assistance Program assists States and local entities throughout the West in coping with emergency water shortages. The Bureau provided emergency assistance through the acquisition of water to mitigate impacts to fish and wildlife resulting from prolonged drought conditions in New Mexico on the Rio Grande and to Bowdoin and Benton Lakes National Wildlife Refuges in Montana. Reclamation provided emergency assistance to the Hopi Tribe by procuring portable pumps and generators to pump water from existing wells when the water table dropped due to drought and provided emergency drought assistance to several tribes within New Mexico through actions such as well repair and drilling.

Water Conservation and Recycling: Reclamation's Water Conservation Field Services Program has provided assistance to hundreds of local water districts in four key areas: planning, education, demonstration, and implementation. In specific instances, Reclamation assisted 209 water districts with water conservation planning. Reclamation formed a cooperative cost-sharing partnership with 11 southern California water and wastewater agencies under the Southern California Water Recycling Projects Initiative.

Endangered Species: Reclamation worked to improve habitat and flows for endangered fish at its facilities throughout the West. In California Reclamation installed a temperature control device on Folsom Dam to help conserve cold water and lessen the impact to threatened salmon in the American River. Reclamation helped re-establish up to 42 miles of prime salmon and steelhead habitat on the mainstream Battle Creek and an additional 6 miles of its tributaries in California. We completed modifications of an automated fish-handling device at the Marble Bluff Dam in Nevada to enhance recovery of the endangered cui-ui fish species.

We developed flow recommendations for the Green, Gunnison, and Colorado Rivers to help recover a variety of endangered fish in the Upper Colorado and San Juan River Basins. Reclamation also began work on fish ladders and fish screens to be installed on all major diversion dams/canals on the Colorado, Gunnison, Green, and San Juan Rivers. Reclamation collaborated with Federal, State, and local stakeholders in New Mexico to sustain instream flows for the endangered Rio Grande silvery minnow when severe drought conditions threatened the minnow, and helped provide stream flows for the endangered Pecos bluntnose shiner into the Pecos River, New Mexico.

Under the Columbia and Snake River Salmon Recovery Project Reclamation has continued to acquire water to increase streamflows in the lower Snake and Columbia Rivers to benefit salmon and steelhead migration.

Water Quality: Reclamation has invested over \$48 million since 1995 to control the salinity of the Colorado River. The total Reclamation program, including those projects constructed before 1995, is estimated to prevent about 550,000 tons of salt per year from entering the Colorado River. Reclamation also worked cooperatively with the Interagency Ecological Program for the Sacramento-San Joaquin Estuary in California, which identifies, and helps to avoid, impacts caused by State and Federal water diversion operations in the estuary.

Native Americans: Reclamation helped the Navajo Department of Water Resources develop and complete a resource management plan addressing the Navajo Nation's projected water requirements and water resource infrastructure deficiencies. It provided 13 Native American Pueblos with technical or financial water management-related assistance through various programs including water needs assessments, new pumps and other infrastructure, water measurement structures, and automation of flow structures. Other Indian Rural Water projects, including Mni Wiconi in South Dakota, Rocky Boys in Montana, and Animas-La Plata in Colorado, will help meet the water needs of hundreds of thousands of Native Americans.

Recreation: Reclamation joined with seven other Federal agencies to form the Federal Lakes Recreation Leadership Council co-chaired by Reclamation and the Corps of Engineers to develop procedures to enhance public recreation at Federal lakes. Reclamation formed a Recreation Policy Advisory Team and established a Bureauwide concessions and recreation management policy. Under the authority of the Reclamation Recreation Management Act, Reclamation cost shared with non-Federal partners the development, rehabilitation, and expansion of recreation and fish and wildlife areas and facilities on Reclamation projects in 12 states.

Conclusion

This completes my statement. Please allow me to express my sincere appreciation for the continued support that this Committee has provided Reclamation. I would be happy to answer any questions you may have at this time.

San Juan Water Commission

800 Municipal Drive · Farmington · New Mexico · 87401
Ph 505-599-1462 · Fax 505-599-1463 · Email siwc@cvberport.com

MEMBERS:
City of Aztec
City of Bloomfield
City of Farmington
San Juan County
S.J. County Rural Water
Users Association

*San Juan-3
ALP*

April 26, 2001

Steve Cone, CAW
1217 Chaco Avenue
Farmington, New Mexico 87401

Re: Inspection of Public Records Act, request received April 25, 2001

Dear Mr. Cone,

In compliance with New Mexico's Public Records Act (NM 1978, Chapter 14, Article 2, as amended) we are responding.

Any records except those specifically excepted will be available for inspection in our offices beginning May 7, 2001 from 9:00 A.M. to 12:00 P.M. and 1:30 P.M. to 4:45 P.M.. Following are specific replies to your requests, in the order you presented them.

All records distributed during or after the March 8, 2001, Bureau of Reclamation meeting that exist in our office, including our public notice posted in compliance with New Mexico law, will be available for your inspection.

Notice of the March 13, 2001, meeting will be available for your inspection.

The April 25, 2001 American Bar Association "brown bag" was an informational meeting organized by members of the ABA and was not an official meeting of the San Juan Water Commission; however, all material distributed will be available for your inspection.

Regarding the La Plata Conservancy District's water, I am not aware that any records exist in our office other than those you have referenced regarding the actions of the New Mexico State Engineer regarding a transfer of the interest of the La Plata Conservancy District allocation from the Colorado Ute Settlement Act of 2000.

All records not specifically excepted related to the January 16, 2001, application to appropriate water by the San Juan Water Commission will be available for your inspection.

Regarding standards for distributing untreated water, a copy of Administrative Policy AP-11, issued October 1, 1997, will be available for your inspection.

Should copies be requested, copies of documents will be \$0.50 per page side or actual cost, whichever is greater, in advance. A receipt will be provided.

Please provide a complete list of the persons you copied so we may provide them all with a copy of our reply.

Sincerely,



L. Randy Kirkpatrick
Executive Director
San Juan Water Commission.

OSE-1865

dbaca

File

From: [redacted]
Sent: Tuesday, April 24, 2001 9:48 PM
To: liztaylor; waterjm32
Cc: scone
Subject: New Mexico Open Records Act request 04/24/01

*Steve Cone
(505) 327-0743*

Ms. Taylor, this New Mexico Open Records Act request is being routed through you and Mr. Dunlap. For some reason, our efforts to email Randy Kirkpatrick at the Commission office have failed. Please forward this request directly to the San Juan Water Commission office and Randy Kirkpatrick, care of his secretary, Shaun Bishop. Our apologies for this inconvenience. Thank you -- CAW

NEW MEXICO OPEN RECORDS ACT REQUEST TO THE SAN JUAN WATER COMMISSION
April 24, 2001

"electors Concerned about Animas Water" -- CAW
1217 Chaco Avenue
Farmington, NM 97401

Randy Kirkpatrick, Executive Director
San Juan Water Commission
Farmington Municipal Complex
Farmington, New Mexico 87401

Dear Mr. Kirkpatrick:

Apparently, for some time now, members and officials of San Juan Water Commission (Commission) have been among those participating in CLOSED SECRET MEETINGS with the United States Department of the Interior, Bureau of Reclamation, to formulate specific terms for certain cost sharing (repayment) obligations in connection with the Commission's participation in the Animas-LaPlata Project (A-LP) as authorized by the 106th Congress in the Colorado Ute Settlement Act Amendments of 2000, Public Law 106-554; 114 Stat. 2763A-258-266.

By virtue of its status as a public entity, the Commission is subject to New Mexico's Inspection of Public Records Act (NMSA 1978, Chapter 14, Article 2). Section 14-2-1 of this Act states that every person has a right to inspect any public records of this State save those which are specifically excepted. Section 14-2-8 sets forth the requirements for a written request to view such records and the requirement that the custodian of those records permit the inspection within fifteen (15) days or explain in writing, within three (3) business days after receipt of the request, when that request will be acted upon.

On March 8, 2001, the Bureau of Reclamation hosted a closed meeting involving cost-share allocations for A-LP proponents in Durango, Colorado. This meeting, conducted in violation of 43 USC section 485h(f)(1) Reclamation Reform Act of 1982 and 43 CFR section 426.20(a), was held secretly; providing NO PUBLIC NOTIFICATION or opportunity for public participation. Please provide access to any writings mailed or distributed to participants before the meeting, any documents distributed at the meeting, any writings distributed after the meeting, including minutes, electronic mail messages papers, maps and all other documentary materials regarding the meeting or referred to during the meeting.

On April 4, 2001, at its regular meeting the Commission voted to approve item number 4 of its Agenda which reads "Consideration of Approval of March 13, 2001 Closed Work Session Meeting Minutes". That closed session of March 13, 2001 was called for when the Commission was not in an open meeting. The New Mexico "Open Meetings Act" NMSA 1978, Article 10, Chapter 15, states that such a closed meeting shall not be held until PUBLIC NOTICE, appropriate under the circumstances, stating the specific provision of law authorizing the closed meeting and stating with reasonable specificity the subject to be discussed, is given to the members of the public. Please provide access to specific documentation to evidence that the necessary public notification did occur, including the the method and date of notice.

On April 25, 2001, the American Bar Association sponsored a brown bag lunch presentation in the Farmington Municipal Complex -- Executive Conference Room. The presentation involved a "Status Report on A-LP", and scheduled speakers included the Commission's Executive Director, Randy Kirkpatrick and Pat Schumacher, Manager of the Four Corners division of the Bureau of Reclamation. Please provide access to any writings mailed or distributed to participants before the meeting, any documents distributed at the meeting, any writings distributed after the meeting, including minutes, papers, maps and all other documentary materials regarding the meeting or referred to during the meeting, including all pertinent electronic mail messages and a complete list of those in attendance.

On March 24, 2000, in a letter to Senator Pete Domenici-NM, Interstate Stream Commission Secretary and State Engineer Tom Turney suggested that 780 afy of MUNICIPAL AND INDUSTRIAL (M&I) water allocated in A-LP to the La Plata Conservancy District of New Mexico (District) be allocated instead to the Commission, thereby increasing the Commission's allocation to 11,180 afy. This recommendation was echoed in the April 10, 2001, comments of the Interstate Stream Commission to the Bureau of Reclamation on the Draft Supplemental Environmental Impact Statement A-LP. The District's Decree of Incorporation, dated August 5, 1946, addresses the authority of the District to provide IRRIGATION water. Please provide access to all writings related to the subject of the Commission's interest and potential access to the District's allocation of 780 afy of M&I water in connection with the A-LP.

On January 16, 2001, Executive Director L. Randy Kirkpatrick applied to New Mexico State Engineer Tom Turney for permission to divert 48,000 afy of Animas River water to be held by the Commission for its beneficial use. In his letter covering that Application, Mr. Kirkpatrick says that President Clinton on December 21, 2000, "enacted a Congressional determination . . . to deauthorize the original, larger A-LP." The New Mexico State Engineer has recently been overheard to say that the water applied for by the Commission is currently unavailable because the original Animas-La Plata Project has NOT been deauthorized. Please provide access to any and all writings referencing the Commission's January 16, 2001 Application.

The Commission's 1986 Joint Powers Agreement at Article VIII, Section G, states, "The commission shall develop standards for determining who is entitled to untreated water according to demonstrated need for untreated water." Please provide access to all documentation of the Commission's development of the referenced "standards".

It is convenient for us to view these records after 3:30 P.M. on any business day. We look forward to your timely written reply in compliance with provisions of the New Mexico Inspection of Public Records Act as stated above.

Sincerely,

Steve. Cone, Director CAW
(505) 327-0743
Verna Forbes Willson, Secretary/Treasurer CAW
(505) 326-2417

Partial cc list:

Mayor Bill Standley
Councilor Mary Fischer
Councilor Hormuzd Rassam
Councilor Tommy Roberts
Councilor William Hall
City Attorney Jay Burnham
City Manager Bob Hudson
NM State Engineer Tom Turney
Rep. Tom Udall, NM
NM FOG (Bob Johnson)
Gale Norton
Pat Schumacher
Rick Gold

A-LP Central
<http://www.angelfire.com/al/alpcentral>
in defense of the Animas & LaPlata rivers

dbaca

*Mut
San Juan-3
ALP*

From: ~~SCOR~~
Sent: Sunday, April 15, 2001 8:52 PM
To: gvannoy
Cc: scone; rgold; pschumacher; gale norton; mike connor
Subject: ~~FOIA # 2001-0011 Closed Meeting Cost Share Renegotiations~~

ATTENTION: FREEDOM OF INFORMATION ACT REQUEST [FOIA]
(transmitted electronically 15 April 2001)

TO: Gloria Van Noy
United States Bureau of Reclamation
FOIA Officer
125 South State Street, Room 6107, UC-930
Salt Lake City, Utah 84138-1102

FROM: Steve Cone, Director, CAW
1217 Chaco Avenue
Farmington, NM 87401

SUBJECT: Secret Closed Meeting on Animas-LaPlata Project (A-LP)
Cost-Share Renegotiations Held by
United States Bureau of Reclamation at
Durango, Colorado on 8 March 2001

- References:
- (a) 43 USC section 485h(f) (1) Reclamation Reform Act of 1982 and 43 CFR section 426.20(a)
 - (b) Public Law 100-585, 102 Stat.2975 - Colorado Ute Indian Water Rights Settlement Act of 1988
 - (c) 55FR9223
 - (d) Department of the Interior v. Klamath Water Users Protective Ass'n., No. 99-1871 U.S.S.C. March 05, 2001
 - (e) 5USC 552(b) (5)
 - (f) 5 USC 552(a) (6) (E) (iii)

This inquiry pertains to the specific interest of "electors Concerned about Animas Water" (CAW) in obtaining all documentation [written or otherwise] relative to the subject meeting.

BASIS FOR REQUEST: The subject meeting, involving a number of Animas-La Plata Project proponents, was conducted with NO PUBLIC NOTICE OR PUBLIC PARTICIPATION as required by reference (a), the Federal Law governing such repayment contracting. Reference (a) clearly requires that all such discussions be prominently noticed sixty days in advance, and that they take place in a public forum.

The Bureau's arbitrary choice to make this meeting closed and private and its failure to notice the meeting sixty days in advance threatens to commit all Americans to the unwarranted subsidization of non-Federal entities and private parties in the construction of this Federal municipal & industrial (M&I) water project.

BACKGROUND: Well over \$80 million of Federal funds have already been spent on an A-LP and the Project which continues to gain notoriety. The reference (b) Settlement Act -- a.k.a. A-LP -- was amended by Senator Ben Campbell's Bill S2508, approved by Congress and signed into law in late 2000. Section 6(a)(2)(C) of that amended act reads as follows: "Not later than April 1, 2001, the Secretary shall report to Congress on the status of the cost-share agreements contemplated in

subparagraph (A). In the event that no agreement is reached with either the Animas-La Plata Conservancy District or the State of Colorado for the water allocations set forth in subclauses (V) and (VI) or paragraph (1)(A)(ii), those allocations shall be reallocated equally to the Colorado Ute Tribes."

Information on the status of the cost-share agreement negotiations, including those held in the subject meeting, has been withheld from the commonwealth and Congress by the Secretary of the Department of the Interior in violation of Sec. 6 (a)(2)(C) of reference (b). Language in this Act indicates that disposition of nearly 8,000 af of A-LP water allocated to the above two beneficiaries remains in flux. Should these non-Indian Colorado beneficiaries renege and fail to contract for their shares of construction and operation and maintenance costs, federal taxpayers will be held responsible for 98% of that Project's costs. Allowing for typical Bureau overruns, such subsidies could exceed \$1 billion.

This possibility of added subsidies is especially significant in that Federal contributions to an Indian water settlement should not, in accordance with the precepts of reference (c), exceed the Government's calculable legal exposure. That exposure, as regards A-LP, is as yet undefined.

Reference (c) is a Department of the Interior (Interior) binding Policy adopted in 1990 and utilized in several other Indian water negotiations. It includes a specific framework for Federal participation in negotiations for the settlement of Indian water rights claims. The applicable "Criteria & Procedures" hold that any such settlement must contain appropriate cost sharing by ALL parties benefitting from the settlement. Accordingly, the Policy states that, "Settlements should include non-Federal cost-sharing proportionate to the benefits received by the non-Federal parties, [and] settlements should generally not include...federal subsidy of OM&R costs of Indian and non-Indian parties."

In a case with direct bearing on the matter of this request, the United States Supreme Court recently held [Reference (d)] that the memoranda related to settlement discussions with Indian Tribes are NOT subject to Exemption 5 under the Freedom of Information Act [FOIA].

Communications between Indian tribes and Interior are not exempt under reference (e) from FOIA's disclosure requirements as "inter-agency or intra-agency memorandums or letters" because the tribes are not like paid consultants. [Full text of this ruling can be found at: <http://laws.findlaw.com/us/000/99-1871.html>] The Supreme Court has found that requests by the Utes and other A-LP promoters to conduct confidential settlement negotiations with Interior and the Bureau --to the exclusion of the general public-- must NOT be honored.

REQUEST: This document constitutes a formal request under the Freedom of Information Act (FOIA), 5 U.S.C. Section 552. Please provide to CAW copies of the following materials:

(1) Any and all records and documentation constituting evidence of the Bureau of Reclamation's (BOR) efforts to formulate draft cost-share agreements with A-LP beneficiaries in its March 8, 2001 meeting at Durango, Colorado.

(2) Any and all records and documentation (including but not limited to invitations, agenda, minutes, meeting logs, transcripts) constituting

evidence of participation of parties in the March 8, 2001 meeting in Durango, Colorado sponsored by BOR.

(3) Any and all inter-agency or intra-agency memoranda, letters, transcripts, notes and/or minutes dealing with negotiation of cost-share agreements in the context of Ute settlement discussions during the years of 1999, 2000 and through the month of April 2001.

NOTE: Interior Secretary Gale Norton at MAILTO:gale_norton@ios.doi.gov and A-LP Project Director Pat Schumacher at MAILTO:PSchumacher@usbr.gov should be competent to respond immediately and directly to this simple request.

WAIVER OF FEES: CAW, at this time, wishes to facilitate and accelerate the processing of this request by claiming status as an "other use requester" -- entitling CAW to the first 100 pages of Duplication Costs and the first two hours of Search Time at no charge. Should the combined costs of these services exceed that entitlement, CAW is willing to pay all additional charges up to \$15.00 (fifteen dollars).

.....
We look forward to your reply within the twenty working days required by reference (f). If our request is denied in whole or in part, we expect a detailed justification for withholding the designated records as well as a Vaughn index. Additionally, we understand that segregable portions of the pertinent documents that are not specifically exempted under applicable Federal law are to be fully disclosed pursuant to this request.

Thank you for your immediate attention and prompt response in this matter.

Respectfully,

Steve Cone, Director of CAW

Verna Forbes Willson, Secretary/Treasurer of CAW

San Juan Water 16
Whipple - FYI
No response
necessary.
JT

April 8, 2001

Dear Mr Turney,

Your letter to me dated March 30, 2001 asked me to contact Mr. John Whipple if I had any questions regarding the Animas-LaPlata Project. Why could he answer the questions I have after reading your letter?

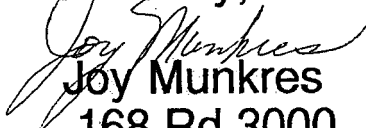
No mention is made any place in the July 2000 FSEIS of senior water rights for irrigators which were adjudicated in 1948. The 10,400afy allocated to the San Juan Water Commission certainly is not going to meet any irrigation demands on the Animas River.

I am well aware of the readjudication process going on in New Mexico at this time and the plans for metering the the surface water. Until the senior water rights are tallied up, how can you say with such certainty, The Project will not impair our irrigation rights?

No one has ever questioned the need to store the spring snowmelt run off. With the current severe power crisis all over the West, how could anyone consider it feasible to pump water more than 500 feet up a steep mountain side to a shallow basin for storage? There are so many sites which could be constructed at a fraction of cost to the taxpayers. Are you actually comfortable with the safety factor of the stability of that area to hold water?

What a cop out on your part to say The Interstate Stream Commission supports the Project as approved by Congress and the President. You of all people should realize how very unfair this whole mess is to our State of New Mexico.

Sincerely,


Joy Munkres
168 Rd 3000
Aztec, N.M.