

**SAN JUAN RIVER BASIN IN NEW MEXICO  
NAVAJO NATION WATER RIGHTS SETTLEMENT AGREEMENT**

**SIGNIFICANT CHANGES FROM JULY 9, 2004, DRAFT**

1. Supplemental Partial Final Settlement Decree (Appendix 2). Provides mechanism to quantify the bulk of Navajo claims more readily without hydrographic survey and provides earlier consideration of the decree by the court. Minor uses (stockponds, stockwells & tributary irrigation) and State Permit rights to be identified in hydrographic survey and quantified in Supplemental Decree.
2. State Permits (Settlement Agreement § 4.3.1). Cancelled State Permit #758 for Hogback since those rights are addressed in Decree at ¶3(e). Cancelled State Permit #2472 held by United States for Shiprock Helium Plant. Cancelled State Permits ##2807 & 2875 for Kerr-McGee Uranium Plant assigned to Navajo Nation. Increased Navajo Municipal water right by additional diversion of 600 afy and depletion of 300 afy and increased maximum diversion flow rate of 5.0 cfs. (See Decree at ¶3(d)).
3. Condition on Alternate Water Supply (Settlement Agreement § 9.2). Eliminated the condition that the irrigators must be limited by Echo Ditch water rights. Reduced the quantify of water Navajo is obligated to supply from 15,000 af to 12,000af.
4. Echo Ditch Water Rights (Settlement Agreement § 9.6.1 & 9.6.2). Clarified that the Navajo Nation would not object to the basic Echo Ditch rights, but clarified that the Echo Ditch water rights must remain as adjudicated or the Navajo Nation will have right to "go behind" the 1948 Decree and challenge such rights. NN retains all rights to challenge use of Echo Ditch rights since 1948.
5. Farmington Echo Ditch Rights. Resolve issues relating to Farmington "trust" water in stipulation with Navajo Nation.
6. Navajo Nation Priority (Decree at ¶20). Added provision for Navajo Nation to assert priority earlier than June 1, 1868 in event any other party obtains more senior water right.
7. New Mexico Funding for Navajo-Gallup (Act at § 103(e)(4)). Changed State of New Mexico's \$25 million contribution from Navajo Water Development Trust Fund to the Navajo-Gallup Project. Increased federal contribution to Trust Fund by \$25 million. (Act at § 307(c)).
8. Cost Ceiling for NIIP (Act at § 203). Eliminated language in the legislation to increase NIIP budget ceiling by \$341 million and to authorize NIIP rehabilitation expense of \$31.8 million.