State Engineer Presentation to the Water and Natural Resources Interim Committee

Navajo-Gallup Water Supply Project Update

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Upper Colorado River Basin Compact of 1948

Apportionment

- Apportioned between the states the 7,500,000 acre-feet per year allocated to the Upper Basin by the 1922 Colorado River Compact.
- New Mexico's allocation is **11.25% (843,750 acre-feet)**.

Curtailment

 Established principles for the curtailment of water use in the states "In the event curtailment...at any time shall become necessary in order that the flow at Lee Ferry shall not be depleted below that required by Article III of the Colorado River Compact..."

Administrative Agency

• Established the Upper Colorado River Commission.







Navajo Indian Irrigation Project

San Juan Basin Water Uses

Averages (acre feet per year) 2011 to 2020			
1.	NIIP	182,000	
2.	San Juan-Chama	85,500	
3.	Non-NIIP Agriculture	57,700	
4.	Power	39,700	
5.	Evaporation	26,700	
6.	Municipal	10,500	
7.	Navajo Gallup Water Supply Project		
	Cutter Lateral - future uses*	4,200	
	San Juan Lateral - future uses **	33,600	
8.	Jicarilla Apache Nation - SJ Settlement future uses***	25,500	
	Total average currently used (not including NGWSP or Jicarilla long-term future uses)	402,100	
	 * Capacity is 3.5 MGD and is designed to expand to 5.4 MGD in the future. ** SJ Lateral will produce a peak supply of 18.8MGD with deferred expansion to produce 37.6MGD at full buildout. 		
	*** Jicarilla Apache Nation has leases for the majority of its SJ supplies with currently up to 20,000 af to the NMISC		

Navajo Gallup Water Supply Project

- The Navajo-Gallup Water Supply Project was authorized by Pub. L.111-11, which was passed by Congress and signed into law in 2009.
- Pub. L. 111-11 authorized the Secretary of the Interior to construct, operate, and maintain the Project as a participating project of the Colorado River Storage Project Act (CRSPA) of 1956. The purpose of the Project is to deliver San Juan River water to Project participants. Pub. L. 111-11 mandates that the capacity of the Project (37,760 acre-feet of diversion or 35,890 acre-feet of depletion) be allocated among the Navajo Nation, the Jicarilla Apache Nation, and the City of Gallup.
- Pub. L. 111-11 originally appropriated \$870,000,000 for the project. The State of New Mexico, through the ISC, had a cost-share of \$50 million for the project, which has been fully paid.
- The Project was originally scheduled to be completed in 2024. The Cutter Lateral portion of the Project was completed in 2020 and is operational. However, the San Juan Lateral portion of the Project fell behind schedule.

Navajo Gallup Water Supply Project

- In 2022, Senator Ben Ray Lujan introduced a bill to make amendments to Pub. L. 111-11 to extend the timeframe for the Project and increase the amount of money allocated to it. The bill did not get passed before the end of the 117th Congress.
- In 2023, Senator Ben Ray Lujan introduced S. 1898 in the Senate. The main purposes of that bill are

 to extend the timeframe for the Project to 2029, (2) to provide additional funding for the Project,
 (\$600M) and (3) to create trust funds for OM&R expenses for the Navajo Nation and the Jicarilla

 Apache Nation's shares of operations and maintenance for the Project.
- All Project proponents, and the State of New Mexico through the ISC, provided letters of support for the bill. S. 1898 had a hearing before the Senate Committee on Indian Affairs on July 12, 2023. Assistant Secretary for Indian Affairs Bryan Newland was present at the hearing and indicated that the Department of the Interior supports the bill. A companion bill was introduced in the House by Representative Leger Fernandez.
- The Project proponents hope the bill will pass before October 2024. The Bureau of Reclamation has funding to continue construction until the end of September 2024, but will run out of money at that time absent legislation.

City of Gallup Water Supply History and Need

- Over the last 120 years the City has developed or acquired 45 wells and due to various reasons, only 15 wells are in production at this time. Depletions of the limited aquifers in the region are the primary concern but quality concerns drives seeking water at great depths.
- Gallup is unique among New Mexico's municipalities in the depth of its municipal wells (3,000 ft plus) and the extremely high cost for construction and operation, maintenance, and replacement of those wells.
- In 1998, peak demands were already exceeding daily average pumping, so the City secured OSE permits for an additional 2,600 af at a cost of \$10M.
- In 2008, the City agreed to contract for 7,500 afy for its future water supply from the NGWSP that would tie into the planned Gallup Regional Water Supply System.
- The NGWSP San Juan system has been delayed 5 years requiring a significantly higher investment in area water wells to maintain supplies until 2029.

Gallup Regional Water Supply System

- **Drilling New Water wells**: The City of Gallup is drilling more groundwater supply wells to offset the delay in surface water deliver from the NGWSP. Ten (10) additional wells will be needed to supply drinking water to the region until the NGWSP water arrives.
- <u>State and Federal funding for wells</u>: The City of Gallup has received \$8M in State of NM and \$5M in Federal funding for the drilling, testing, development and equipping of three (3) groundwater wells, one is complete and will be equipped with an oil field type submersible pump. The next two are undergoing drilling and testing work to design the wells. The wells are over 3,000 ft. deep, drilled in hard rock formations under artesian conditions with cemented casing.
- <u>NGWSP Reach 27.7B</u>: Construction on this reach of the Gallup Regional Water Supply project will start in August 2023 consisting of an 18" water line that will deliver water to the Church Rock, Iyanbito, Mariana Lake and Pinedale Chapters of the Navajo Nation. The project contract amount is \$6.58 M. The project will be funded by the US DOI Bureau of Reclamation and the NMFA Water Trust Board grant/loan combination. The City of Gallup will repay 40% of the WTB funding.
- <u>**Repayment of the NGWSP**</u>: The City of Gallup has repaid or received credit for over \$40 million towards its NGWSP repayment obligation.
- <u>WAPA CRSP Power</u>: The City of Gallup has executed an agreement with the USDOI Bureau of Reclamation and the Western Area Power Authority that gives the City access to low-cost power for the operation of its groundwater well fields when the surface water from the San Juan River is not available. The City is currently using low-cost power for water supply.



QUESTIONS?

