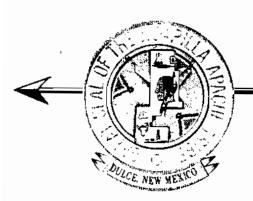


ATTACHMENT C

Letter from Jicarilla Apache Tribe to the Bureau of Reclamation



THE JICARILLA APACHE TI

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February 16, 2001

Ms. Carol DeAngelis, Area Manager Western Colorado Area Office US Bureau of Reclamation 2764 Compass Drive, Suite 106 Grand Junction CO 81506-8785

RE: Your Letter Dated January 22, 2001 – Water Service Contracts from Navajo

Reservoir and the Subject Meeting Held on January 29, 2001.

Dear Ms. DeAngelis:

Thank you for your letter informing the Jicarilla Apache Nation (formerly the Jicarilla Apache Tribe) of the intentions of the Navajo Nation and the City of Gallup regarding their respective requests for contracts for water from the Navajo Reservoir supply for the proposed Navajo-Gallup Water Supply Project (the Project).

As you are aware, the Nation is a cooperating agency in the San Juan River Recovery Implementation Program and has recently signed a cooperating agency agreement for the Navajo Dam Operations Environmental Impact Statement (EIS). In addition, the Nation has provided comments regarding the Supplemental EIS for the Animas-La Plata Project. In each of these processes, the Nation has expressed its desire to support the goals of these federal actions while expressing its concerns about their impacts on the Nation's ability to fully utilize its water rights under the Jicarilla Apache Tribe Water Rights Settlement Act, Pub. L. No. 102-441, 106 Stat. 2237 (1992), as modified by Pub. L. No. 104-261, 110 Stat. 3176 (1996) and Pub. L. No. 105-256, 112 Stat. 1896 (1998) (the Settlement Act).

The Nation has recently exercised its authority to subcontract to third parties in the San Juan basin by negotiating a water lease agreement with Public Service Company of New Mexico for the San Juan Generating Station formerly under contract with the Secretary of Interior. The Nation has also negotiated two additional lease agreements with "minor contractors" in the basin. These actions preserve the opportunity to develop a long term water supply for on-reservation use as determined by the Legislative Council of the Nation. They also demonstrate the

Nation's willingness to work with the agencies, water users and our neighboring tribes with interests in the San Juan basin to accomplish mutually beneficial goals under the water development constraints in the basin.

With regard to this Project, the Nation supports the goal of obtaining a high quality, reliable water supply for the Navajo communities that lack water service. We empathize with the Navajo people because the Jicarilla Apache people have similar unmet basic needs.

Accordingly, the Nation is interested in investigating the potential of subcontracting a portion of its San Juan River basin Settlement Act water rights for use in the area served by the Project. The Nation is also interested in the potential for the Project to serve a water supply need in the southwest portion of the Jicarilla Apache Reservation. We are investigating the feasibility of participating in the Project.

The Nation understands that certain threshold questions must be expeditiously addressed to assure that all parties satisfactorily benefit without delaying the schedule of the Project for Congressional actions. One of those questions is how will our plans to divert and beneficially use our Settlement Act water rights be affected if we are not participants in the Project, and conversely, how will participation in the Project support our water use plans and long-term development goals? In light of the Bureau of Reclamation's trust duty to the Nation, we request your assistance in addressing these questions.

By copy of this letter, the Nation advises the Navajo Nation and the City of Gallup of its position. The Nation intends to engage in substantive discussions with the Navajo Nation, the City of Gallup and Reclamation regarding an appropriate water supply for the project and options for serving a portion of the Jicarilla Apache Reservation through the Project infrastructure.

The point of contact for this issue is Mike Hamman, who is the Water Administrator for the Nation. He can be reached at (505) 753-0163 or by email at mikehamman@msn.com. Your interest and consideration of these matters is appreciated.

Sincerely,

Claudia Vigil-Muniz, President

Janeir J. Vizil- Mune

Cc: Honorable Kelsey A. Begaye, President The Navajo Nation P.O. Box 9000 Window Rock, AZ 86515

> Honorable John Peña, Mayor City of Gallup P.O. Box 1270 Gallup, NM 87301

John Leeper, Director Navajo Nation Water Management Branch P.O. Box 678 Ft. Defiance, AZ 86505

Dan Isreal, Attorney City of Gallup HC5 Box 69A 211 White Way Pason, AZ 85541

Joy Nicholopoulos, Field Supervisor Fish and Wildlife Service 2105 Osuna NE Albuquerque, NM 87113

Thomas C. Turney, State Engineer P.O. Box 25102 Santa Fe, NM 87504-5102

Phil Mutz NM Interstate Stream Commission P.O. Box 25102 Santa Fe, NM 87504-5102

Lester K. Taylor, Nordhaus, Haltom, Taylor, Taradash &Bladh, LLP Susan G. Jordan, Nordhaus, Haltom, Taylor, Taradash &Bladh, LLP Joe Muniz, Natural Resources Kurt Sandoval, Water Commission Mike Hamman, Water Administrator