

RECLAMATION

Managing Water in the West

FINDING OF NO SIGNIFICANT IMPACT

**WATER SERVICE CONTRACT BETWEEN THE UNITED
STATES AND THE NAVAJO NATION/NAVAJO TRIBAL
UTILITY AUTHORITY**

**950 ACRE FEET FOR MUNICIPAL AND INDUSTRIAL
BENEFIT - COMMUNITY OF LECHEE, ARIZONA**

**Finding of No Significant Impact Number: WCAO-DUR-
FONSI-01-2009**

**Technical Services Division
Environmental and Planning Group
Western Colorado Area Office
Durango, CO**



**U.S. Department of the Interior
Bureau of Reclamation**

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In accordance with the National Environmental Policy Act of 1969, as amended, and based on the following, the Bureau of Reclamation (Reclamation) has determined that the approval of a water service contract between the United States and the Navajo Nation for 950 acre feet (af) annually of municipal and industrial (M&I) water for the community of LeChee Arizona would not result in a significant impact on the human environment.

Background—The Community of LeChee receives M&I water from Lake Powell through pumping and conveyance facilities that were initially constructed by Reclamation during the construction of Glen Canyon Dam and Power Plant between 1957-1964. A Reclamation contract allows for transfers of up to 100,000 gallons per day of water through the City of Page and the Page Water Treatment Plant to the Navajo Nation Reservation with final delivery to LeChee. Currently and for a number of years demand particularly in the summer months has exceeded the contracted allotment. The existing water supply has limited growth and development in LeChee. An adequate water supply will allow LeChee to meet the future needs of the community.

Purpose and Need—Additional M&I water is need by the community of LeChee to support current community needs and projected growth. The Navajo Nation would contract with Reclamation for 950 af of water which is part of Arizona's portion of the Upper Colorado River Basin Compact of 1948 allocation (total 50,000 af). The most recent Consumptive Uses and Losses Report for the Arizona Portion of the Upper Colorado River Basin, Calendar Year 2005 (August 2007) concluded the total consumptive use from the upper basin within Arizona during 2005 was 36,135 (+ or - 1,235) af. Therefore, there is room in the allocation for use of the water provided by the proposed contract.

Scoping/Public Involvement— Two meetings were conducted. One meeting was a non-public meeting involving representatives of the Navajo Nation Division of Water Resources, the Navajo Tribal Utility Authority, and Reclamation on December 5, 2007. . The other meeting was a public meeting held at the LeChee Chapter Administration Building on June 23, 2008. Advertisements for the meeting were run for 3 days prior to the meeting on local radio and within the local newspaper. Additionally, announcements for the meeting were brought up during City of Page council meetings and at Chapter meetings at LeChee.

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Representatives from the City of Page attended the June 23, 2008, meeting and did not provide any objection to the proposed Contract. In the past, representatives from the City of Page have stated their support for the proposed Contract.

The State of Arizona has provided Reclamation with a letter of no objection to this contract for M&I water to the Navajo Nation, dated June 16, 2008.

Contact with the U.S. Fish and Wildlife Service regarding the ESA issue took place on July 2 and 10, 2008. The Service verbally concurred with Reclamations conclusion of a no effect determination for the four listed endangered species.

No Action Alternative-- Under the no action alternative this sale of M&I water would not be approved. The Community of LeChee would continue to receive its allocation of 100,000 gallons per day of M&I water from the City of Page. The domestic water system would likely see increased shortages during peak demand; and the community would have to take drastic steps to deal with those shortages. Growth and development would not be possible.

Preferred Alternative / Proposed Action--Reclamation proposes to contract with the Navajo Nation for an additional water supply for the community of LeChee for M&I purposes. The contract will cover a 40 year period, reserve in standby 950 af annually (10 year maximum for standby), and delivered water in 25 af blocks. The proposed action is solely the execution of the water service with the Navajo Nation and not for any future actions currently being considered by the City of Page or the Navajo Nation.

Alternatives Considered, But Eliminated from Detailed Analysis

1. NTUA Develop Groundwater—The NTUA does not want to develop groundwater when a large body of fresh water (Lake Powell) is in close proximity because cost associated with groundwater well drilling is prohibitive and quality and quantity of subsurface well water is currently unknown.
2. Water Hauling—The only available surface water is from Lake Powell, and any sale to the Nation or private water hauler would require a contract for sales of water from Reclamation. Additionally water hauling of volumes equivalent to that requested within the proposed contract are logistically prohibitive and cost of water would exceed projected costs under the proposed contract.
3. Settlement and Adjudication of Navajo Nation Water Rights for the Colorado River in the Upper Basin in Arizona—A contract could be executed by Reclamation following settlement; however the timeframe for the settlement and future contracts are unknown and far in the future.
4. Purchase additional water from the City of Page—The City of Page currently does not have additional allocations of M&I water and would have to enter into a water service contract with Reclamation for additional water. The City of Page has stated to Reclamation that in the future it intends to ask for additional allocation through an M&I water contract. However, the City would first need to apply for and obtain the appropriate water right approval from the State of Arizona. The State has indicated that any protests

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to the City's water right application would result in the State denying the application. The Nation has stated that it would object to such application until such time that the Nation had received its contract for LeChee and/or received settlement for water rights claims in the Upper Basin

Summary of Findings for Analysis of Alternatives—Reclamation conducted analysis of a wide range of environmental criteria for the No Action Alternative and the Preferred Alternative (Option 4).

The No Action Alternative does not meet the purpose and need as described above.

Under the Preferred Alternative, Reclamations approval of the contract meets the purpose and need of the proposed undertaking. In terms of environmental consequences associated with implementing the preferred alternative no adverse effects are anticipated.

Land Use: Planning and Development—The Nation has responsibility for review and approval of all land use projects and actions occurring within the boundaries of the Navajo Indian Reservation. All future development in LeChee and surrounding sections of the Nation that would receive water as part of this contract will undergo additional levels of NEPA analysis by the Bureau of Indian Affairs or by an other lead federal agency if tied through a “federal nexus”. Actions would be subject to the regulatory review and approval by the branches of the Nation that manage specific environmental quality programs and resources. No impacts to land use or development would result from this water contract and no mitigative measures would be required should the proposal be implemented.

Wildlife and Aquatic Resource--Federal listed species for the project area include: humpback chub, razorback sucker, Kanab Ambersnail, and Southwest willow flycatcher.

The Kanab Ambersnail is not found in Lake Powell, and while the razorback sucker and humpback chub may occur there, no critical habitat has been designated within the reservoir. The Southwest Willow Flycatcher is not found in areas immediately surrounding Lake Powell and no critical habitat is designated for the project area.

Informal discussions between Reclamation and the Ecological Services Office, US Fish and Wildlife Service Region 2 (Glen Knowles, Phoenix office) took place on July 2 and 10, 2008. The Service informally provided verbal concurrence with Reclamations determination of no effect for all four species.

Terrestrial Species and Associated Habitat --- All future projects resulting from water development will be evaluated by the Nation, BIA and/or other Federal agencies, and effects on terrestrial species will be reviewed on a case by case basis by those land and resource managing agencies.

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Cultural Resources—This Federal undertaking is limited to the delivery of water through existing facilities. It does not involve the construction, expansion, or development of any new facilities. As such there is no potential to cause effects to cultural resources as a result of the undertaking. All future development projects resulting from subsequent water use will be evaluated by the Nation, BIA and/or other Federal agencies, and cultural resource effects will be reviewed on a case by case basis by those land and resource managing agencies

Indian Trust Assets and Environmental Justice--This Federal action is designed to specifically address a water shortage situation for LeChee. Therefore it will address existing negative effects upon a minority population and improve the standard of living in the community without conversely causing adverse effects to low-income or minority populations.

Furthermore, the water provided under this proposed contract would be included as a part of any future water right settlement with the Navajo Nation, making use of a Tribal Trust Asset without conversely affecting any individual Indian Trust Assets.

Environmental Commitments of this action:

1. Further NEPA analysis tied to future development will be conducted by the lead Federal agency involved (BIA, other Federal agency).
2. The Navajo Nation will ensure that future land planning and development actions tied to and /or resulting from use of the M&I water from this contract will receive review and appropriate regulatory approval by Navajo Nation Branch Offices according to their specific authorities.

Conclusions:

The No Action Alternative will not meet the purpose and need of the proposed action.

Based on the review and analysis of environmental impacts, Reclamation concludes that the approval of a 950 af M&I water service contract with the Navajo Nation for the Community of LeChee as described within the Preferred Alternative will not have significant impact on the quality of the human environment or the natural resources in the project area.

This Finding of No Significant Impact has, therefore, been prepared and is submitted to document environmental review and evaluation of the proposed action in compliance with the National Environmental Policy Act of 1969, as amended.

Prepared By:

Rob Waldman
Rob Waldman, Environmental Protection Specialist

5/15/09
Date

Recommended:

Stephen K McCall
Stephen K. McCall, Environmental Specialist

5/20/2009
Date

Approved:

Carol DeAngelis
Carol DeAngelis, Area Manager
Western Colorado Area Office

5/20/09
Date