STATE OF NEW MEXICO
OFFICE OF
STATE ENGINEER
SANTA FE

June 12, 1951

Honorable Oscar L. Chapman
Secretary of the Interior
Washington, D. C.

Dear Secretary Chapman:

This letter contains the views and recommendations of the State of New Mexico with regard to Project Planning Report No. 4-81-1 entitled "Colorado River Storage Project and Participating Projects, Upper Colorado Basin States, December, 1950". The report was transmitted by you in accordance with the provisions of Section 1 of the Flood Control Act of 1944 (58 Stat. 387) and was received in this office on February 13, 1951. At the request of the Upper Colorado River Commission and some of the States individually, the 90-day period for review was extended by the Secretary of the Interior to June 15, 1951.

The report is an excellently prepared document evidencing a great deal of investigation and study over a period of years. The Department of the Interior and its various branches and employees are to be highly commended, particularly the Bureau of Reclamation which is largely responsible for the preparation of this fine report. During the investigation, the Regional Director of Region 4 of the Bureau has kept the states of the Upper Colorado Basin fully informed of the progress of the work and the problems encountered, in full compliance with the spirit and purposes of the Flood Control Act. The Department of the Interior has been particularly helpful to New Mexico by assisting in special studies of those phases of the Upper Colorado River plan peculiar to our state, which problems will be more fully discussed hereinafter. The State is most appreciative of that cooperation.

Subject to specific recommendations hereinafter made, the State of New Mexico approves the plan of development of the water resources of the Upper Colorado River Basin as described in this report and recommends that projects listed in paragraph (b) of the Commissioner's letter of December 22, 1950, be authorized for construction and thereafter operated in accordance with the Federal Reclamation Laws (Act of June 17, 1902, 32 Stat. 388) and acts amendatory thereof or supplementary thereto.

The proposed storage project and the plan of financially assisting participating projects are vital, necessary factors in the development of the water resources of the Upper Basin. The plan is in accord with the provisions of the Upper Colorado River Compact and will be invaluable in assisting the Upper Division States to fulfill the delivery obligations at Lee Ferry called for by the Colorado River Compact of 1922. It will also permit them to accomplish in full measure the development provided for through the apportionment made by the original Colorado River Compact.

The State of New Mexico is in accord with and recommends the plan for a Basin account as set forth in the Commissioner's letter and explained in detail.
in the report of the Regional Director. It is the opinion of the State that such an account is consistent with the policies and procedures previously adopted for other projects constructed by the Bureau of Reclamation and carried out within the existing reclamation law. It is consistent with the principle that mutually dependent projects should participate in the benefits of basin development, including, when necessary and with proper safeguards, financial aid from those projects which produce surplus revenues. It is strongly urged that the provisions for assistance to irrigation projects through the basin account method be incorporated as an essential part of the authorization bill.

New Mexico recommends that the hydro-electric plants comprehended within the plan should be operated in conjunction with other Federal power plants, present and potential, on the Colorado River and tributaries so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates. New Mexico is frankly concerned that such power and energy may be sold to users outside of the Upper Basin and the States of the Upper Division in accordance with current demands which in the future may be necessary to provide essential power development to the State. Accomplishment of this objective involves considerations which, at this time, cannot be foreseen. New Mexico requests the privilege of seeking, at an appropriate time, adequate provisions of law, or procedures for such power operation, as will insure the greatest future benefits for the Upper Basin and the States of the Upper Division from the power produced by the Colorado River Storage Project.

Chapter V of the Substantiating Materials accompanying the Regional Director's report deals with power resources available to the power market area, including the potential needs for additional power and energy in the power market area which may be served by the Colorado River Storage Project. The table on page 70 indicates that for New Mexico (Fringe area) additional power needed by 1970 will amount to 220,000 kilowatts. Preliminary information from the regional office of the Federal Power Commission at Fort Worth, Texas, indicates that the demand for additional dependable power capacity may be even larger than that shown in the Regional Director's report. New Mexico recommends that the power and energy needs in this State be given careful review and consideration before power contracts are entered into which might leave the State in the position of having to obtain power from other sources at rates which might be considerably larger than those which could be obtained from the Storage Project. It is realized that as and when the San Juan-Chama transmountain diversion is authorized and constructed there will be a substantial quantity of power and energy available from that source. It is our opinion, however, that the power market needs of the State it far outstrip any power which may be made available by the San Juan-Chama installation and will coincide more nearly with the power which will become available from the Storage Project.

New Mexico has concurred in the actions taken by the states of the Upper Basin from time to time through the Upper Colorado River Commission and the Colorado River Basin States Committee looking toward a plan which will insure orderly development so that all of the states will move forward on an even basis insofar as the solution of each state's problems will permit, and it is found practicable so to do. The storage project plan is a flexible one which permits, from time to time, the addition of other storage units and other participating projects, as plans are completed and as the necessary project reports indicate that such projects qualify for authorization within the provisions of the plan.

In recognition of the peculiarity and individuality of each State's problems New Mexico does not oppose any recommendations for changes in the plans within any state from those recommended by the report which may be made by such
state or states of the Upper Basin so long as such changes are consistent with the best interests of the basin and with the ultimate plan of development. It has been brought to our attention that the State of Colorado may request the selection of the Curecanti Storage Unit on the Gunnison River for initial authorization in lieu of the White River Unit proposed in the report. It is recognized that such a change may well be in the best interests of the basin and of the State of Colorado and it is, therefore, recommended that the State of Colorado make such a request for revision, that it have your careful consideration.

At the time the Upper Colorado River Commission and the Colorado River Basin States Committee were considering the preliminary draft of the subject report, a report on the La Plata Unit of the Animas-La Plata project had been completed by the Bureau and the project was approved as a participating project. By the time the main report was ready for transmittal to the affected states, however, departmental review of the La Plata report indicated that the cost-benefit ratio was unfavorable and the project could not be included. It is our understanding that Region 4 is currently reviewing the project in an attempt to formulate a revised plan which will meet necessary requirements for participating projects. The La Plata is one of the most deserving projects within the entire basin from the standpoint of need for rehabilitation and reclamation of a project now deficient in water supply. Water shortages in that area are chronic. For this reason we urge that every effort be made to work out a revised project for the La Plata Unit which can be included in the near future as a participating project.

In our letter to you dated April 13, 1951, certain inconsistencies were pointed out in the position of the Department of the Interior concerning projects in New Mexico for the utilization of the share of San Juan River water. Questions set forth in that letter arose from the recommendations of the Commissioner of Indian Affairs contained in paragraph (d) of Commissioner Schirm's letter of transmittal. Briefly our letter sought to determine whether the Department intended to seek authorization of an open-end Shiprock Project as indicated in that paragraph, or if the Department intended to continue the course which is now underway of attempting to negotiate the question of the size of Shiprock and other competing projects. Your reply under date of May 20, 1951, while helpful, did not completely answer our query. It is noted that you did agree "That an open-ended authorization of the Shiprock Project would be undesirable". You stated that every effort was being made to seek a satisfactory solution and expressed the hope that such a solution would be reached by the time the report was forwarded to the President and the Congress. However, the complexity of the problems encountered is such that there appears to be no solution to the problem possible in time for inclusion in the current report. It is necessary, therefore, for the State to comment in some detail on the recommendation contained in the Commissioner's letter.

Under the provisions of New Mexico's Constitution, its statutes, and the decision of its Courts, the water allocated to New Mexico for consumptive use by the terms of the Upper Colorado River Basin Compact (except as the present uses) is unappropriated water of the State of New Mexico held by the State as Trustee for the benefit of the public.

Because of the physical situation on the San Juan River, the several large projects which would use a major portion of New Mexico's allocated water supply under the terms of the Compact are dependent upon the amount of water in the Upper San Juan River and its tributaries available above the site of the Navajo Reservoir. Several facts concerning the final determination of water supply to these projects are important.
a. A substantial Navajo-Shiprock Project is a necessary feature of the program of development of the water supply in New Mexico, not only from the standpoint of taking care of the economy of the Navajo Indian but in making the best and fullest use of New Mexico's compact allocation.

b. A trans-mountain diversion of water from the San Juan to the Chama River is also necessary in order for New Mexico to fully utilize its allocated water supply.

c. The only substantial source of unappropriated water in the State is the San Juan River. This water is required not only to take care of the legitimate needs within the basin but to supply water to the Rio Grande Basin to assist in relieving shortages in existing irrigated areas, to provide for the growth of municipal, industrial and military uses, and to replace those amounts of water which may be consumed in connection with programs of the Department of Agriculture for watershed rehabilitation within that basin.

Because of the far-reaching effect which allocations made at this time will have upon the economic, irrigation and industrial growth within the entire State, the selection of projects and the determination of their respective sizes in the current program must be made with the greatest of care.

The record will show that the State has consistently worked for the Shiprock (Navajo) Project. It would be desirable to recommend it without reservation for authorization in the initial list of participating projects if a project report had been made available for the states's prior consideration, setting forth its size and other essential features demonstrating its qualifications for inclusion therein. Under the circumstances, however, it is obvious that the states cannot give unqualified approval to the blanket recommendations contained in paragraph (d) of the Commissioner's letter.

For over a year the San Juan Coordinating Committee of the Department of the Interior has been working to develop the engineering data necessary for a proper determination of respective sizes of the Shiprock Project, the South San Juan (white lands) Project in connection therewith, and a San Juan-Chama Trans-mountain Diversion Project. The committee is working under a directive in the form of a memorandum from Assistant Secretary Mr. E. Warme, which was approved by you August 30, 1950. The directive set forth certain aims and objectives, stating, among other things:

"Once a feasible project is reached which will combine the San Juan-Shiprock area and the San Juan-Chama diversion, while allowing for irrigation of 20,000 acres of white lands, the entire project should be included in one report."

It also directed

"That the Department endeavor to complete by January 1, 1951, a mutually acceptable report on the above basis"
which will set out the magnitude of the recommended east slope and west slope units of the project, along with supporting economic data;"

and

"That the Department complete by January 1, 1952, feasibility reports to be used as a basis for seeking project authorization."

It seems evident from the memorandum that the policy of the Department is to develop, with the aid and assistance of engineering data obtained by the Interior Coordinating Committee, a solution as to the respective sizes of the three projects which can be agreed upon at State level, and that such coordinated plan be then submitted to the Congress and authorized as a unit.

The work of the Coordinating Committee has been progressing quite satisfactorily. Due to unforeseen delays, however, it has not been able to proceed as rapidly as originally anticipated. For example, the Navajo Tribal Council has entered the picture and is seeking certain information which it feels is required before the Council is willing to make any commitments regarding the potential size of their project. The Council is employing a private engineer to conduct an independent review of the engineering data so that the Council may be fully apprised as to its adequacy. The State feels that the Navajos are entitled to full information regarding their project.

There seems to have been an unfortunate tendency on the part of the several agencies involved in the early project studies to so plan their projects that they could maintain bargaining positions with respect to other projects or plans. I believe this situation has been largely rectified since the appointment of the Coordinating Committee, although there is still a tendency on the part of the Bureau of Indian Affairs to insist that it cannot recede from a certain predetermined size of the Navajo Shiprock Project. The State feels that it is necessary for all agencies to work whole-heartedly in presenting complete data regarding the proposed projects.

In this connection, it is evident that Region V of the Bureau should collect and present at the earliest possible time a report showing the needs of the East Slope for domestic, municipal and supplemental water. Such data would be used, together with potential power possibilities, in preparing a transmountain project report. In the San Juan Basin, it is evident that additional data are required to complete the project report on the Shiprock Project. Preliminary examination by engineers of the State indicate the need for more detailed study of such features of the project as (1) the question of inclusion of scattered tracts of good land where the distribution costs may be excessive, (2) the question of drainage of many areas on the project, where topography and soil conditions are such that drainage is expensive and difficult, and (3) other project features which might well be reviewed. A study of these matters could have a material effect on the ultimate area which should be recommended for inclusion within the project. A complete report on the South San Juan Project is necessary to determine its feasibility and economic size for inclusion as a unit of the larger Navajo Reservoir Project.

The above problems were brought to the attention of the Governor and a number of representatives of the areas of the State involved and were
carefully considered by them. It was agreed that, since you have recommended the Shiprock Project for current authorization, the State's other legitimate needs can be guaranteed and your directive of August 30, 1950 can be effectuated only by inclusion of the other two competing projects in the report for concurrent authorization. Accordingly, New Mexico recommends and strongly urges the inclusion in your recommendations to the President and the Congress of the following: (1) the South San Juan and San Juan-Chama Projects, as well as the Shiprock Project, be included in the subject report for authorization as participating projects as a unit; and (2) there be no appropriations for, or construction of, any of the three projects until there has been made available to all of the affected States and approved by the Congress project reports, comparable to reports already prepared for the other participating projects, which demonstrate their feasibility, their favorable qualifications as participating projects and their compatibility with each other.

On pages 6 and 7 of the Regional Director's Report is set forth his proposed construction schedule for the storage project reservoirs. He recommends therein that the Whitewater, Echo Park and Glen Canyon units be constructed immediately, followed by the Navajo and Flaming Gorge units. New Mexico respectfully calls the Secretary's attention to the fact that the Navajo Reservoir is an essential initial phase of the construction of the Shiprock, the South San Juan or the San Juan-Chama Diversion Projects since all three are dependent upon equating the flow of the San Juan River at or near that reservoir site. Further, due consideration should be given to the use of presently unappropriated waters of the San Juan for power purposes while such surplus power sources are available. The State, therefore, recommends and urges that you revise the construction schedule so that the Navajo Reservoir is included as one of the initial units of the storage plan, thereby permitting development in this state to proceed on an even basis with that in other states of the Upper Basin.

Because there will be sufficient credit in a basin account when and as approved by the Congress, and because of the continuing need for project investigations and reports as development of the Upper Basin progresses, it is recommended that investigational funds adequate for the purpose be authorized from this account in addition to those provided by the Colorado River Development Fund, Reclamation funds and sub-paragraph (j) of the Commissioner's letter of December 22, 1950.

Respectfully submitted,

(s) John H. Bliss

JOHN H. BLISS
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