

119TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Northwestern New Mexico Rural Water Projects Act to make improvements to that Act, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. LUJÁN (for himself, Mr. CURTIS, and Mr. HEINRICH) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

To amend the Northwestern New Mexico Rural Water Projects Act to make improvements to that Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Navajo-Gallup Water  
5 Supply Project Amendments Act of 2025”.

6 **SEC. 2. DEFINITIONS.**

7 Section 10302 of the Northwestern New Mexico  
8 Rural Water Projects Act (43 U.S.C. 407 note; Public  
9 Law 111–11) is amended—

1 (1) by striking paragraph (29);

2 (2) by redesignating paragraphs (12), (13),  
3 (14), (15), (16), (17), (18), (19), (20), (21), (22),  
4 (23), (24), (25), (26), (27), (28), and (30) as para-  
5 graphs (13), (14), (15), (16), (17), (18), (19), (20),  
6 (21), (22), (23), (24), (25), (27), (28), (30), (31),  
7 and (32), respectively;

8 (3) by inserting after paragraph (11) the fol-  
9 lowing:

10 “(12) DEFERRED CONSTRUCTION FUND.—The  
11 term ‘Deferred Construction Fund’ means the Nav-  
12 ajo Nation’s Navajo-Gallup Water Supply Project  
13 Deferred Construction Fund established by section  
14 10602(i)(1)(A).”;

15 (4) in paragraph (14) (as so redesignated)—

16 (A) in the paragraph heading, by striking  
17 “DRAFT” and inserting “FINAL ENVIRON-  
18 MENTAL”;

19 (B) by striking “Draft Impact” and insert-  
20 ing “Final Environmental”;

21 (C) by striking “draft environmental” and  
22 inserting “final environmental”; and

23 (D) by striking “March 2007” and insert-  
24 ing “July 6, 2009”;

1           (5) in paragraph (19) (as so redesignated), by  
2 striking “Draft” and inserting “Final Environ-  
3 mental”;

4           (6) by inserting after paragraph (25) (as so re-  
5 designated) the following:

6           “(26) PROJECT SERVICE AREA.—The term  
7 ‘Project Service Area’ means the area that encom-  
8 passes the 43 Nation chapters, the southwest por-  
9 tion of the Jicarilla Apache Reservation, and the  
10 City that is identified to be served by the Project,  
11 as illustrated in figure IV–5 (Drawing No. 1695–  
12 406–49) of the Final Environmental Impact State-  
13 ment.”;

14           (7) by inserting after paragraph (28) (as so re-  
15 designated) the following:

16           “(29) SETTLEMENT TRUST FUNDS.—The term  
17 ‘Settlement Trust Funds’ means—

18                   “(A) the Navajo Nation Water Resources  
19 Development Trust Fund established by sub-  
20 section (a)(1) of section 10702;

21                   “(B) the Navajo Nation Operations, Main-  
22 tenance, and Replacement Trust Fund estab-  
23 lished under subsection (b)(1) of that section;  
24 and



1 (C) in paragraph (1) (as so designated), by  
2 striking “Draft Impact Statement” and insert-  
3 ing “Final Environmental Impact Statement, as  
4 further refined in, and including the facilities  
5 identified in, the Working Cost Estimate and  
6 any subsequent supplemental documents pre-  
7 pared in accordance with the National Environ-  
8 mental Policy Act of 1969 (42 U.S.C. 4321 et  
9 seq.).”; and

10 (D) by adding at the end the following:

11 “(2) ADDITIONAL SERVICE AREAS.—

12 “(A) FINDINGS.—Congress finds that—

13 “(i) expanding the Project Service  
14 Area would create opportunities to increase  
15 service for additional Nation Tribal mem-  
16 bers and would not increase the cost of the  
17 Project beyond authorization levels de-  
18 scribed in section 10609(a); and

19 “(ii) the unit operations and mainte-  
20 nance costs of the Project would be re-  
21 duced by adding more customers to the  
22 Project.

23 “(B) AUTHORIZATIONS FOR ADDITIONAL  
24 PROJECT SERVICE AREAS.—



1 and including the facilities identified in,  
2 the Working Cost Estimate and any subse-  
3 quent supplemental documents prepared in  
4 accordance with the National Environ-  
5 mental Policy Act of 1969 (42 U.S.C.  
6 4321 et seq.)”;

7 (B) by striking paragraph (1) and insert-  
8 ing the following:

9 “(1) The water conveyance and storage facili-  
10 ties associated with the San Juan Generating Sta-  
11 tion (the coal-fired, 4-unit electric power plant and  
12 ancillary features located by the San Juan Mine  
13 near Waterflow, New Mexico), including the diver-  
14 sion dam, the intake structure, the river pumping  
15 plant, the pipeline from the river to the reservoir,  
16 the dam and associated reservoir, and any associated  
17 land, or interest in land, or ancillary features.”;

18 (C) in paragraph (2)(A)—

19 (i) by striking “River near Kirtland,  
20 New Mexico,” and inserting “Generating  
21 Station Reservoir”; and

22 (ii) by inserting “generally” before  
23 “follows United States Highway 491”;

1 (D) in paragraph (3)(A), by inserting  
2 “generally” before “follows United States High-  
3 way 550”; and

4 (E) in paragraph (5), by inserting “(in-  
5 cluding any reservoir facility)” after “treatment  
6 facility”;

7 (3) in subsection (c)—

8 (A) in the subsection heading, by inserting  
9 “AND FACILITIES” after “LAND”;

10 (B) in paragraph (1), by striking “any  
11 land or interest in land that is” and inserting  
12 “any land or facilities, or interest in land or fa-  
13 cilities, that are”; and

14 (C) by adding at the end the following:

15 “(4) LAND TO BE TAKEN INTO TRUST.—

16 “(A) IN GENERAL.—On satisfaction of the  
17 conditions described in paragraph (7) of the  
18 Agreement and after the requirements of sec-  
19 tions 10701(e) and 10703 are met, the Sec-  
20 retary shall take legal title to the following land  
21 and, subject to subparagraph (D), hold that  
22 land in trust for the benefit of the Nation:

23 “(i) Fee land of the Nation, includ-  
24 ing—

1                   “(I) the parcels of land on which  
2                   the Tohlakai Pumping Plant, Reach  
3                   12A and Reach 12B, are located, in-  
4                   cluding, in McKinley County, New  
5                   Mexico—

6                                 “(aa) sec. 5, T. 16 N., R. 18  
7                                 W., New Mexico Prime Meridian;  
8                                 and

9                                 “(bb) sec. 33, T. 17 N., R.  
10                                17 W., New Mexico Prime Merid-  
11                                ian (except lot 9 and the NW<sup>1</sup>/<sub>4</sub>  
12                                of lot 4);

13                               “(II) the parcel of land on which  
14                   Reach 12.1 is located, including—

15                                “(aa) NW<sup>1</sup>/<sub>4</sub> and SW<sup>1</sup>/<sub>4</sub> sec.  
16                                5, T. 16 N., R. 18 W.;

17                                “(bb) N<sup>1</sup>/<sub>2</sub> sec. 11, T. 16 N.,  
18                                R. 19 W.; and

19                                “(cc) sec. 12, T. 16 N., R.  
20                                20 W.; and

21                                “(III) the parcel of land on which  
22                   Reach 12.2 is located, including  
23                   NW<sup>1</sup>/<sub>4</sub>. sec. 2, T. 16 N., R. 21 W.

1                   “(ii) Public domain land managed by  
2                   the Bureau of Land Management, includ-  
3                   ing—

4                                 “(I) the parcel of land on which  
5                                 the Cutter Lateral Water Treatment  
6                                 Plant is located, including S $\frac{1}{2}$  sec. 9,  
7                                 T. 25 N., R. 9 W., New Mexico Prime  
8                                 Meridian; and

9                                 “(II) the parcel of land on which  
10                                 the Navajo Agricultural Products In-  
11                                 dustry turnout is located, including  
12                                 NW $\frac{1}{4}$  and NE $\frac{1}{4}$  sec. 34, T. 26 N.,  
13                                 R. 9 W., New Mexico Prime Meridian.

14                                 “(iii) The land underlying the San  
15                                 Juan Generating Station (the coal-fired, 4-  
16                                 unit electric power plant and ancillary fea-  
17                                 tures located by the San Juan Mine near  
18                                 Waterflow, New Mexico) acquired by the  
19                                 United States, as described in subsection  
20                                 (b)(1).

21                                 “(B) PART OF NAVAJO NATION.—The land  
22                                 taken into trust under subparagraph (A) shall  
23                                 be part of the Navajo Reservation and adminis-  
24                                 tered in accordance with the laws and regula-  
25                                 tions generally applicable to land held in trust

1 by the United States for the benefit of an In-  
2 dian Tribe.

3 “(C) RESTRICTIONS.—

4 “(i) FREE LAND OF THE NATION.—The  
5 fee land of the Nation taken into trust  
6 under subparagraph (A)(i) shall be subject  
7 to valid existing rights, contracts, and  
8 management agreements, including ease-  
9 ments and rights-of-way, unless the holder  
10 of the right, contract, lease, permit, or  
11 right-of-way requests an earlier termi-  
12 nation in accordance with existing law.

13 “(ii) PUBLIC DOMAIN LAND.—

14 “(I) IN GENERAL.—The public  
15 domain land managed by the Bureau  
16 of Land Management taken into trust  
17 under subparagraph (A)(ii) shall be  
18 subject to valid existing rights, con-  
19 tracts, leases, permits, and rights-of-  
20 way, unless the holder of the right,  
21 contract, lease, permit, or right-of-way  
22 requests an earlier termination in ac-  
23 cordance with existing law.

1                   “(II) BIA ASSUMPTION OF BENE-  
2                   FITS AND OBLIGATIONS.—The Bureau  
3                   of Indian Affairs shall—

4                   “(aa) assume all benefits  
5                   and obligations of the previous  
6                   land management agency under  
7                   the existing rights, contracts,  
8                   leases, permits, or rights-of-way  
9                   described in subclause (I); and

10                   “(bb) disburse to the Nation  
11                   any amounts that accrue to the  
12                   United States from those rights,  
13                   contracts, leases, permits, or  
14                   rights-of-ways after the date on  
15                   which the land described in  
16                   clause (ii) of subparagraph (A) is  
17                   taken into trust for the benefit of  
18                   the Nation from any sale, bonus,  
19                   royalty, or rental relating to that  
20                   land in the same manner as  
21                   amounts received from other land  
22                   held by the Secretary in trust for  
23                   the Nation.

24                   “(iii) LAND UNDERLYING THE SAN  
25                   JUAN GENERATING STATION.—

1                   “(I) IN GENERAL.—The land un-  
2                   derlying the San Juan Generating  
3                   Station (the coal-fired, 4-unit electric  
4                   power plant and ancillary features lo-  
5                   cated by the San Juan Mine near Wa-  
6                   terflow, New Mexico) taken into trust  
7                   under subparagraph (A)(iii) shall be  
8                   subject to a perpetual easement on  
9                   and over all of the land underlying the  
10                  San Juan Generating Station reserved  
11                  to the United States for use by the  
12                  Bureau of Reclamation and its con-  
13                  tractors and assigns—

14                               “(aa) for ingress and egress;

15                               “(bb) to continue construc-  
16                               tion of the Project; and

17                               “(cc) for operation and  
18                               maintenance of Project facilities  
19                               located on that land.

20                   “(II) RESERVED PERPETUAL  
21                   EASEMENT.—The reserved perpetual  
22                   easement described in subclause (I)  
23                   shall remain vested in the United  
24                   States unless title to the Project fa-  
25                   cilities and appropriate interests in

1 land are conveyed pursuant to sub-  
2 section (f).

3 “(III) RESERVED FEDERAL FA-  
4 CILITIES.—The United States shall  
5 retain ownership of the San Juan  
6 Generating Station (the coal-fired, 4-  
7 unit electric power plant and ancillary  
8 features located by the San Juan  
9 Mine near Waterflow, New Mexico)  
10 water conveyance and storage facili-  
11 ties when the underlying land is taken  
12 into trust under subparagraph (A)(iii)  
13 and title to those facilities shall re-  
14 main vested in the United States un-  
15 less title to those facilities are con-  
16 veyed pursuant to subsection (f).

17 “(D) SAVINGS CLAUSE.—Nothing in this  
18 paragraph affects any—

19 “(i) water right of the Nation in exist-  
20 ence on the day before the date of enact-  
21 ment of the Navajo-Gallup Water Supply  
22 Project Amendments Act of 2025; and

23 “(ii) right or claim of the Nation to  
24 any land or interest in land in existence on  
25 the day before the date of enactment of the

1 Navajo-Gallup Water Supply Project  
2 Amendments Act of 2025.”;

3 (4) in subsection (d)(1)(D), by striking “Draft”  
4 and inserting “Final Environmental”;

5 (5) in subsection (e)—

6 (A) by striking “The Secretary” and in-  
7 serting the following:

8 “(1) IN GENERAL.—The Secretary”; and

9 (B) by adding at the end the following:

10 “(2) RENEWABLE ENERGY AND HYDRO-  
11 ELECTRIC POWER.—

12 “(A) RENEWABLE ENERGY.—For any por-  
13 tion of the Project that does not have access to  
14 Colorado River Storage Project power, the Sec-  
15 retary may use not more than \$6,250,000 of  
16 the amounts made available under section  
17 10609(a)(1) to develop renewable energy.

18 “(B) HYDROELECTRIC POWER.—Notwith-  
19 standing whether a Project facility has access  
20 to Colorado River Storage Project power, the  
21 Secretary may use not more than \$1,250,000 of  
22 the \$6,250,000 authorized to be used to develop  
23 renewable energy under subparagraph (A) to  
24 develop hydroelectric power for any Project fa-

1           cility that can use hydraulic head to produce  
2           electricity.”;

3           (6) in subsection (h)(1), in the matter pre-  
4           ceding subparagraph (A), by inserting “, store,”  
5           after “treat”; and

6           (7) by adding at the end the following:

7           “(i) DEFERRED CONSTRUCTION OF PROJECT FA-  
8           CILITIES.—

9           “(1) DEFERRED CONSTRUCTION OF PROJECT  
10          FACILITIES.—On mutual agreement between the Na-  
11          tion and the Secretary, and the Jicarilla Apache Na-  
12          tion if the deferred Project facilities benefit the  
13          Jicarilla Apache Nation, construction of selected  
14          Project facilities may be deferred to save operation  
15          and maintenance expenses associated with that con-  
16          struction.

17          “(2) DEFERRED CONSTRUCTION FUND.—

18                 “(A) ESTABLISHMENT.—There is estab-  
19                 lished in the Treasury a fund, to be known as  
20                 the ‘Navajo Nation’s Navajo-Gallup Water Sup-  
21                 ply Project Deferred Construction Fund’, to  
22                 consist of—

23                         “(i) amounts that correspond to por-  
24                         tions of the Project that have been de-  
25                         ferred under paragraph (1); and

1                   “(ii) any interest or other gains on  
2                   amounts referred to in clause (i).

3                   “(B) USE OF THE DEFERRED CONSTRU-  
4                   TION FUND.—The Nation may use amounts in  
5                   the Deferred Construction Fund—

6                   “(i) to construct Project facilities that  
7                   have been deferred under paragraph (1);  
8                   or

9                   “(ii) to construct alternate facilities  
10                  agreed on under subparagraph (C).

11                  “(C) ALTERNATE FACILITIES CONSISTENT  
12                  WITH THE PURPOSE OF THE PROJECT.—On  
13                  agreement between the Nation and the Sec-  
14                  retary, and the Jicarilla Apache Nation if the  
15                  deferred Project facilities benefit the Jicarilla  
16                  Apache Nation, and in compliance with all ap-  
17                  plicable environmental and cultural resource  
18                  protection laws, facilities other than those pre-  
19                  viously agreed to be deferred under paragraph  
20                  (1) may be constructed if those alternate facili-  
21                  ties are consistent with the purposes of the  
22                  Project described in section 10601.

23                  “(3) AMOUNTS TO BE DEPOSITED.—Funds allo-  
24                  cated from the amounts made available under sec-  
25                  tion 10609(a)(1) to build facilities referred to in

1 paragraph (1) shall be deposited into the Deferred  
2 Construction Fund.

3 “(4) ADJUSTMENTS.—On deposit of amounts  
4 into the Deferred Construction Fund under para-  
5 graph (3), the adjustments to authorized appropria-  
6 tions under section 10609(a)(2) shall no longer  
7 apply to those amounts.

8 “(5) DEADLINE TO CONSTRUCT PROJECT FA-  
9 CILITIES.—On deposit of all amounts into the De-  
10 ferred Construction Fund for construction of Project  
11 facilities agreed on under paragraph (1), the Sec-  
12 retary shall be deemed to have met the obligation  
13 under section 10701(e)(1)(A)(ix).

14 “(6) FUTURE CONSTRUCTION OF PROJECT FA-  
15 CILITIES.—On agreement between the Nation and  
16 the Secretary, and the Jicarilla Apache Nation if the  
17 deferred Project facilities benefit the Jicarilla  
18 Apache Nation, the Nation shall use amounts depos-  
19 ited into the Deferred Construction Fund to con-  
20 struct—

21 “(A) Project facilities deferred under para-  
22 graph (1); or

23 “(B) alternate Project facilities described  
24 in paragraph (2)(C).”.

1 (b) DELIVERY AND USE OF NAVAJO-GALLUP WATER  
2 SUPPLY PROJECT WATER.—Section 10603 of the North-  
3 western New Mexico Rural Water Projects Act (Public  
4 Law 111–11; 123 Stat. 1382) is amended—

5 (1) in subsection (a)(3)(B)—

6 (A) in clause (i), by inserting “or, if gen-  
7 erated on City-owned facilities, by the City”  
8 after “the Nation”; and

9 (B) in clause (ii), by inserting “, except  
10 that the City shall retain all revenue from the  
11 sale of hydroelectric power that is generated on  
12 City-owned facilities” after “hydroelectric  
13 power”; and

14 (2) in subsection (g)(2), by striking “, except as  
15 provided in section 10604(f)”.

16 (c) PROJECT CONTRACTS.—Section 10604 of the  
17 Northwestern New Mexico Rural Water Projects Act  
18 (Public Law 111–11; 123 Stat. 1388) is amended—

19 (1) in subsection (a)(4), by striking “Subject to  
20 subsection (f), the” and inserting “The”;

21 (2) in subsection (b)(3)—

22 (A) in subparagraph (A), by striking “sub-  
23 paragraph (B)” and inserting “subparagraphs  
24 (B) and (C)”;

25 (B) in subparagraph (B)—

1 (i) in the subparagraph heading, by  
2 striking “MINIMUM PERCENTAGE” and in-  
3 sserting “MAXIMUM PERCENTAGE”;

4 (ii) by striking “at least 25 percent”  
5 and inserting “not more than 25 percent”;  
6 and

7 (iii) by striking “, but shall in no  
8 event exceed 35 percent”; and

9 (C) by adding at the end the following:

10 “(C) MAXIMUM REPAYMENT OBLIGA-  
11 TION.—The repayment obligation of the City  
12 referred to in subparagraphs (A) and (B) shall  
13 not exceed \$76,000,000.”;

14 (3) in subsection (c)(1)(B), by inserting “sub-  
15 section (f) and” before “section 10603(g)”;

16 (4) in subsection (d)(1), by striking “Draft”  
17 and inserting “Final Environmental”;

18 (5) in subsection (e), by striking “Draft” and  
19 inserting “Final Environmental”;

20 (6) by striking subsection (f); and

21 (7) by redesignating subsection (g) as sub-  
22 section (f).

23 (d) AUTHORIZATION OF APPROPRIATIONS.—Section  
24 10609 of the Northwestern New Mexico Rural Water

1 Projects Act (Public Law 111–11; 123 Stat. 1395; 129  
2 Stat. 528) is amended—

3 (1) in subsection (a)—

4 (A) in paragraph (1), by striking  
5 “\$870,000,000 for the period of fiscal years  
6 2009 through 2024” and inserting  
7 “\$2,175,000,000 for the period of fiscal years  
8 2009 through 2029”;

9 (B) by striking paragraph (2) and insert-  
10 ing the following:

11 “(2) ADJUSTMENTS.—

12 “(A) IN GENERAL.—The amount under  
13 paragraph (1) shall be adjusted by such  
14 amounts as may be required—

15 “(i) by reason of changes since Octo-  
16 ber 2022 in construction cost changes in  
17 applicable regulatory standards, as indi-  
18 cated by engineering cost indices applicable  
19 to the types of construction involved; and

20 “(ii) to address construction cost  
21 changes necessary to account for unfore-  
22 seen market volatility that may not other-  
23 wise be captured by engineering cost indi-  
24 ces described in clause (i), as determined  
25 by the Secretary, including repricing appli-

1 cable to the types of construction and cur-  
2 rent industry standards involved.

3 “(B) DEFERRED CONSTRUCTION FUND.—  
4 Amounts deposited in the Deferred Construc-  
5 tion Fund shall not be adjusted pursuant to  
6 this paragraph.”; and

7 (C) in paragraph (4)(B), by striking “10  
8 years” and inserting “15 years”; and  
9 (2) in subsection (b)—

10 (A) in paragraph (1), by striking  
11 “\$30,000,000, as adjusted under paragraph  
12 (3), for the period of fiscal years 2009 through  
13 2019” and inserting “\$37,500,000, as adjusted  
14 under paragraph (3), for the period of fiscal  
15 years 2009 through 2032”;

16 (B) in paragraph (2), by striking “2024”  
17 and inserting “2032”; and

18 (C) in paragraph (3), by striking “The  
19 amount under paragraph (1)” and inserting  
20 “The amount under paragraphs (1) and (2)”.

21 (e) TAXATION OF CONSTRUCTION, OPERATION, AND  
22 MAINTENANCE OF PROJECT FACILITIES.—

23 (1) IN GENERAL.—Part III of the North-  
24 western New Mexico Rural Water Projects Act

1 (Public Law 111–11; 123 Stat. 1379) is amended by  
2 adding at the end the following:

3 **“SEC. 10610. TAXATION OF CONSTRUCTION, OPERATION,**  
4 **AND MAINTENANCE OF PROJECT FACILITIES.**

5 “(a) NATION LAND.—Any activity constituting the  
6 construction, operation, or maintenance of Project facili-  
7 ties—

8 “(1) shall, if the activity takes place on land  
9 that is held in trust by the United States for the  
10 benefit of the Nation, be subject to taxation by the  
11 Nation; and

12 “(2) shall not be subject to any fee, tax, assess-  
13 ment, levy, or other charge imposed by any State or  
14 political subdivision of a State.

15 “(b) OTHER LAND.—Any activity constituting the  
16 construction, operation, or maintenance of Project facili-  
17 ties—

18 “(1) shall, if the activity takes place on land  
19 other than the land described in subsection (a)(1),  
20 be subject to taxation by the State in which the land  
21 is located, or by a political subdivision of that State  
22 to the extent authorized by the laws of that State;  
23 and

24 “(2) shall not be subject to any fee, tax, assess-  
25 ment, levy, or other charge imposed by the Nation.”.

1           (2) CLERICAL AMENDMENT.—The table of con-  
2           tents in section 1(b) of the Omnibus Public Land  
3           Management Act of 2009 (Public Law 111–11; 123  
4           Stat. 991) is amended by inserting after the item re-  
5           lating to section 10609 the following:

          “Sec. 10610. Taxation of construction, operation, and maintenance of Project  
          facilities.”.

6   **SEC. 4. NAVAJO NATION WATER RIGHTS.**

7           (a) AGREEMENT.—Section 10701(e) of the North-  
8           western New Mexico Rural Water Projects Act (Public  
9           Law 111–11; 123 Stat. 1400; 129 Stat. 528) is amend-  
10          ed—

11           (1) in paragraph (1)(A)—

12           (A) by striking clause (vii) and inserting  
13           the following:

14           “**(vii) NAVAJO NATION WATER RE-**  
15           **SOURCES DEVELOPMENT TRUST FUND.—**  
16           Not later than December 31, 2019, the  
17           United States shall make all deposits into  
18           the Navajo Nation Water Resources Devel-  
19           opment Trust Fund established by section  
20           10702(a)(1).”;

21           (B) in clause (viii), by striking “2019” and  
22           inserting “2032”;

23           (C) in clause (ix), by striking “2024” and  
24           inserting “2029”; and

1 (D) by adding at the end the following:

2 “(x) DEFERRED CONSTRUCTION  
3 FUND.—

4 “(I) IN GENERAL.—Not later  
5 than December 31, 2029, the United  
6 States shall make all deposits into the  
7 Deferred Construction Fund in ac-  
8 cordance with section 10602(i)(3).

9 “(II) PROJECT DEADLINE.—On  
10 deposit of the amounts into the De-  
11 ferred Construction Fund under sub-  
12 clause (I), even if certain Project fa-  
13 cilities have not yet been constructed,  
14 the Secretary shall be deemed to have  
15 met the deadline described in clause  
16 (ix).”; and

17 (2) in paragraph (2)(B)—

18 (A) in clause (i), by striking “Trust Fund”  
19 and inserting “Settlement Trust Funds”; and

20 (B) in clause (ii), by striking “Trust  
21 Fund” and inserting “Settlement Trust  
22 Funds”.

23 (b) SETTLEMENT TRUST FUNDS.—

24 (1) IN GENERAL.—Section 10702 of the North-  
25 western New Mexico Rural Water Projects Act

1 (Public Law 111–11; 123 Stat. 1402) is amended to  
2 read as follows:

3 **“SEC. 10702. SETTLEMENT TRUST FUNDS.**

4 “(a) NAVAJO NATION WATER RESOURCES DEVELOP-  
5 MENT TRUST FUND.—

6 “(1) ESTABLISHMENT.—There is established in  
7 the Treasury a fund, to be known as the ‘Navajo  
8 Nation Water Resources Development Trust Fund’,  
9 consisting of—

10 “(A) such amounts as are appropriated to  
11 the Navajo Nation Water Resources Develop-  
12 ment Trust Fund under paragraph (5); and

13 “(B) any interest earned on investment of  
14 amounts in the Navajo Nation Water Resources  
15 Development Trust Fund under paragraph (3).

16 “(2) USE OF FUNDS.—The Nation may use  
17 amounts in the Navajo Nation Water Resources De-  
18 velopment Trust Fund—

19 “(A) to investigate, construct, operate,  
20 maintain, or replace water project facilities, in-  
21 cluding facilities conveyed to the Nation under  
22 this subtitle and facilities owned by the United  
23 States for which the Nation is responsible for  
24 operation, maintenance, and replacement costs;  
25 and

1           “(B) to investigate, implement, or improve  
2           a water conservation measure (including a me-  
3           tering or monitoring activity) necessary for the  
4           Nation to make use of a water right of the Na-  
5           tion under the Agreement.

6           “(3) INVESTMENT.—Beginning on October 1,  
7           2019, the Secretary shall invest amounts in the Nav-  
8           ajo Nation Water Resources Development Trust  
9           Fund in accordance with subsection (e).

10           “(4) INVESTMENT EARNINGS.—Any investment  
11           earnings, including interest, credited to amounts  
12           held in the Navajo Nation Water Resources Develop-  
13           ment Trust Fund are authorized to be used in ac-  
14           cordance with paragraph (2).

15           “(5) AUTHORIZATION OF APPROPRIATIONS.—  
16           There are authorized to be appropriated for deposit  
17           in the Navajo Nation Water Resources Development  
18           Trust Fund—

19           “(A) \$6,000,000 for each of fiscal years  
20           2010 through 2014; and

21           “(B) \$4,000,000 for each of fiscal years  
22           2015 through 2019.

23           “(6) AVAILABILITY.—Any amount authorized to  
24           be appropriated to the Navajo Nation Water Re-  
25           sources Development Trust Fund under paragraph

1 (5) shall not be available for expenditure or with-  
2 drawal—

3 “(A) before December 31, 2019; and

4 “(B) until the date on which the court in  
5 the stream adjudication has entered—

6 “(i) the Partial Final Decree; and

7 “(ii) the Supplemental Partial Final  
8 Decree.

9 “(7) MANAGEMENT.—The Secretary shall man-  
10 age the Navajo Nation Water Resources Develop-  
11 ment Trust Fund in accordance with subsection (d).

12 “(8) CONDITIONS FOR EXPENDITURE AND  
13 WITHDRAWAL.—After the funds become available  
14 pursuant to paragraph (6), all expenditures and  
15 withdrawals by the Nation of funds in the Navajo  
16 Nation Water Resources Development Trust Fund  
17 must comply with the requirements of subsection (f).

18 “(b) NAVAJO NATION OPERATIONS, MAINTENANCE,  
19 AND REPLACEMENT TRUST FUND.—

20 “(1) ESTABLISHMENT.—The Secretary shall es-  
21 tablish a trust fund to be known as the ‘Navajo Na-  
22 tion Operations, Maintenance, and Replacement  
23 Trust Fund’ for the purposes set forth in paragraph  
24 (2), to be managed, invested, and distributed by the  
25 Secretary, and to remain available until expended,

1        withdrawn, or reverted to the general fund of the  
2        Treasury, consisting of the amounts deposited in the  
3        trust fund under paragraph (3), together with any  
4        interests earned on those amounts under paragraph  
5        (4).

6            “(2) USE OF FUNDS.—The Nation may use  
7        amounts in the Navajo Nation Operations, Maintenance,  
8        and Replacement Trust Fund to pay operation,  
9        maintenance, and replacement costs of the  
10       Project allocable to the Nation under section 10604.

11           “(3) AUTHORIZATION OF APPROPRIATIONS.—  
12        There are authorized to be appropriated for deposit  
13        in the Navajo Nation Operations, Maintenance, and  
14        Replacement Trust Fund \$250,000,000.

15           “(4) INVESTMENT.—Upon deposit of funding  
16        into the Navajo Nation Operations, Maintenance,  
17        and Replacement Trust Fund pursuant to paragraph  
18        (3), the Secretary shall invest amounts deposited  
19        in accordance with subsection (e).

20           “(5) INVESTMENT EARNINGS.—Any investment  
21        earnings, including interest, credited to amounts  
22        held in the Navajo Nation Operations, Maintenance,  
23        and Replacement Trust Fund are authorized to be  
24        used in accordance with paragraph (2).

1           “(6) AVAILABILITY.—Any amount authorized to  
2           be appropriated to the Navajo Nation Operations,  
3           Maintenance, and Replacement Trust Fund under  
4           paragraph (3) shall not be available for expenditure  
5           or withdrawal until the Nation is responsible for  
6           payment of operation, maintenance, and replacement  
7           costs as set forth in section 10603(g).

8           “(7) FLUCTUATION IN COSTS.—

9           “(A) IN GENERAL.—The amounts author-  
10          ized to be appropriated under paragraph (3)  
11          shall be increased or decreased, as appropriate,  
12          by such amounts as may be justified by reason  
13          of ordinary fluctuations in costs occurring after  
14          October 2022 as indicated by the Bureau of  
15          Reclamation Operation and Maintenance Cost  
16          Index.

17          “(B) REPETITION.—The adjustment proc-  
18          ess under this subparagraph shall be repeated  
19          for each subsequent amount appropriated until  
20          the amount authorized, as adjusted, has been  
21          appropriated.

22          “(C) PERIOD OF INDEXING.—The period  
23          of indexing adjustment under this subpara-  
24          graph for any increment of funding shall end on  
25          the date on which the funds are deposited into

1           the Navajo Nation Operations, Maintenance,  
2           and Replacement Trust Fund.

3           “(8) MANAGEMENT.—The Secretary shall man-  
4           age the Navajo Nation Operations, Maintenance,  
5           and Replacement Trust Fund in accordance with  
6           subsection (d).

7           “(9) CONDITIONS FOR EXPENDITURE AND  
8           WITHDRAWAL.—All expenditures and withdrawals by  
9           the Nation of funds in the Navajo Nation Oper-  
10          ations, Maintenance, and Replacement Trust Fund  
11          must comply with the requirements of subsection (f).

12          “(c) JICARILLA APACHE NATION OPERATIONS,  
13          MAINTENANCE, AND REPLACEMENT TRUST FUND.—

14           “(1) PREREQUISITE TO ESTABLISHMENT.—  
15          Prior to establishment of the trust fund under para-  
16          graph (2), the Secretary shall conduct an Ability to  
17          Pay study to determine what operation, mainte-  
18          nance, and replacement costs of that section of the  
19          Project serving the Jicarilla Apache Nation are in  
20          excess of the ability of the Jicarilla Apache Nation  
21          to pay.

22           “(2) ESTABLISHMENT.—Upon completion of  
23          the Ability to Pay study as set forth in paragraph  
24          (1), the Secretary shall establish a trust fund to be  
25          known as the ‘Jicarilla Apache Nation Operations,

1 Maintenance, and Replacement Trust Fund' for the  
2 purposes set forth in paragraph (3), to be managed,  
3 invested, and distributed by the Secretary and to re-  
4 main available until expended, withdrawn, or re-  
5 verted to the general fund of the Treasury, con-  
6 sisting of the amounts deposited in the trust fund  
7 under paragraph (4), together with any interests  
8 earned on those amounts under paragraph (5).

9 “(3) USE OF FUNDS.—The Jicarilla Apache  
10 Nation may use amounts in the Jicarilla Apache Na-  
11 tion Operations, Maintenance, and Replacement  
12 Trust Fund to pay operation, maintenance, and re-  
13 placement costs of the Project allocable to the  
14 Jicarilla Nation under section 10604.

15 “(4) AUTHORIZATION OF APPROPRIATIONS.—  
16 There are authorized to be appropriated for deposit  
17 in the Jicarilla Apache Nation Operations, Mainte-  
18 nance, and Replacement Trust Fund the amounts  
19 the Secretary has determined are in excess of the  
20 ability of the Jicarilla Apache Nation to pay in the  
21 Ability to Pay study required under paragraph (1)  
22 up to a maximum of \$10,000,000.

23 “(5) INVESTMENT.—Upon deposit of funding  
24 into the Jicarilla Apache Nation Operations, Mainte-  
25 nance, and Replacement Trust Fund pursuant to

1 paragraph (4), the Secretary shall invest amounts in  
2 the fund in accordance with subsection (e).

3 “(6) INVESTMENT EARNINGS.—Any investment  
4 earnings , including interest, credited to amounts  
5 held in the Jicarilla Apache Nation Operations,  
6 Maintenance, and Replacement Trust Fund are au-  
7 thorized to be used in accordance with paragraph  
8 (3).

9 “(7) AVAILABILITY.—Any amount authorized to  
10 be appropriated to the Jicarilla Apache Nation Op-  
11 erations, Maintenance, and Replacement Trust Fund  
12 under paragraph (4) shall not be available for ex-  
13 penditure or withdrawal until the Jicarilla Apache  
14 Nation is responsible for payment of operation,  
15 maintenance, and replacement costs as set forth in  
16 section 10603(g).

17 “(8) FLUCTUATION IN COSTS.—

18 “(A) IN GENERAL.—The amounts author-  
19 ized to be appropriated under paragraph (4)  
20 shall be increased or decreased, as appropriate,  
21 by such amounts as may be justified by reason  
22 of ordinary fluctuations in costs occurring after  
23 October 2022 as indicated by the Bureau of  
24 Reclamation Operation and Maintenance Cost  
25 Index.

1           “(B) REPETITION.—The adjustment proc-  
2           ess under this subparagraph shall be repeated  
3           for each subsequent amount appropriated until  
4           the amount authorized, as adjusted, has been  
5           appropriated.

6           “(C) PERIOD OF INDEXING.—The period  
7           of indexing adjustment under this subpara-  
8           graph for any increment of funding shall end on  
9           the date on which the funds are deposited into  
10          the Jicarilla Apache Nation Operations, Mainte-  
11          nance, and Replacement Trust Fund.

12          “(9) MANAGEMENT.—The Secretary shall man-  
13          age the Jicarilla Apache Nation Operations, Mainte-  
14          nance, and Replacement Trust Fund in accordance  
15          with subsection (d).

16          “(10) CONDITIONS FOR EXPENDITURE AND  
17          WITHDRAWAL.—All expenditures and withdrawals by  
18          the Jicarilla Apache Nation of funds in the Jicarilla  
19          Apache Nation Operations, Maintenance, and Re-  
20          placement Trust Fund must comply with the re-  
21          quirements of subsection (f).

22          “(d) MANAGEMENT.—The Secretary shall manage  
23          the Settlement Trust Funds, invest amounts in the Settle-  
24          ment Trust Funds pursuant to subsection (e), and make  
25          amounts available from the Settlement Trust Funds for

1 distribution to the Nation and the Jicarilla Apache Nation  
2 in accordance with the American Indian Trust Fund Man-  
3 agement Reform Act of 1994 (25 U.S.C. 4001 et seq.).

4 “(e) INVESTMENT OF THE TRUST FUNDS.—The Sec-  
5 retary shall invest amounts in the Settlement Trust Funds  
6 in accordance with—

7 “(1) the Act of April 1, 1880 (25 U.S.C. 161);

8 “(2) the first section of the Act of June 24,  
9 1938 (25 U.S.C. 162a); and

10 “(3) the American Indian Trust Fund Manage-  
11 ment Reform Act of 1994 (25 U.S.C. 4001 et seq.).

12 “(f) CONDITIONS FOR EXPENDITURES AND WITH-  
13 DRAWALS.—

14 “(1) TRIBAL MANAGEMENT PLAN.—

15 “(A) IN GENERAL.—On approval by the  
16 Secretary of a Tribal management plan in ac-  
17 cordance with the American Indian Trust Fund  
18 Management Reform Act of 1994 (25 U.S.C.  
19 4001 et seq.), the Nation and the Jicarilla  
20 Apache Nation may withdraw all or a portion of  
21 the amounts in the Settlement Trust Funds.

22 “(B) REQUIREMENTS.—In addition to any  
23 requirements under the American Indian Trust  
24 Fund Management Reform Act of 1994 (25  
25 U.S.C. 4001 et seq.), a Tribal management

1 plan shall require that the Nation and Jicarilla  
2 Apache Nation only use amounts in the Settle-  
3 ment Trust Funds for the purposes described in  
4 subsection (a)(2), (b)(2), or (c)(3), as applica-  
5 ble.

6 “(2) ENFORCEMENT.—The Secretary may take  
7 judicial or administrative action to enforce the provi-  
8 sions of any Tribal management plan to ensure that  
9 any amounts withdrawn from the Settlement Trust  
10 Funds are used in accordance with this subtitle.

11 “(3) NO LIABILITY.—The Secretary or the Sec-  
12 retary of the Treasury shall not be liable for the ex-  
13 penditure or investment of any amounts withdrawn  
14 from the Settlement Trust Funds by the Nation or  
15 the Jicarilla Apache Nation.

16 “(4) EXPENDITURE PLAN.—

17 “(A) IN GENERAL.—The Nation and  
18 Jicarilla Apache Nation shall submit to the Sec-  
19 retary for approval an expenditure plan for any  
20 portion of the amounts in the Settlement Trust  
21 Funds made available under this section that  
22 the Nation or the Jicarilla Apache Nation does  
23 not withdraw under this subsection.

24 “(B) DESCRIPTION.—An expenditure plan  
25 submitted under subparagraph (A) shall de-

1           scribe the manner in which, and the purposes  
2           for which, funds of the Nation or the Jicarilla  
3           Apache Nation remaining in the Settlement  
4           Trust Funds will be used.

5           “(C) APPROVAL.—On receipt of an ex-  
6           penditure plan under subparagraph (A), the  
7           Secretary shall approve the plan if the Sec-  
8           retary determines that the plan is reasonable  
9           and consistent with this subtitle.

10          “(5) ANNUAL REPORT.—The Nation and  
11          Jicarilla Apache Nation shall submit to the Sec-  
12          retary an annual report that describes any expendi-  
13          tures from the Settlement Trust Funds during the  
14          year covered by the report.

15          “(6) LIMITATION.—No portion of the amounts  
16          in the Settlement Trust Funds shall be distributed  
17          to any Nation or Jicarilla Apache Nation member on  
18          a per capita basis.”.

19          (2) CLERICAL AMENDMENT.—The table of con-  
20          tents in section 1(b) of the Omnibus Public Land  
21          Management Act of 2009 (Public Law 111–11; 123  
22          Stat. 991) is amended by striking the item relating  
23          to section 10702 and inserting the following:

“Sec. 10702. Settlement trust funds.”.

1 (c) WAIVERS AND RELEASES.—Section 10703 of the  
2 Northwestern New Mexico Rural Water Projects Act  
3 (Public Law 111–11; 123 Stat. 1403) is amended—

4 (1) in subsection (d)(1)(A), by striking “2025”  
5 and inserting “2030”; and

6 (2) in subsection (e)(2), in the matter preceding  
7 subparagraph (A), by striking “2025” and inserting  
8 “2030”.

9 **SEC. 5. NON-PROJECT WATER FOR USE IN THE STATE OF**  
10 **UTAH.**

11 Section 10602(h) of the Northwestern New Mexico  
12 Rural Water Projects Act (Public Law 111–11; 123 Stat.  
13 1382) is amended—

14 (1) in paragraph (1), in the matter preceding  
15 subparagraph (A), by striking “paragraph (2)” and  
16 inserting “paragraph (3)”;

17 (2) by redesignating paragraph (2) as para-  
18 graph (3); and

19 (3) by inserting after paragraph (1) the fol-  
20 lowing:

21 “(2) CONVEYANCE OF NON-PROJECT WATER TO  
22 THE STATE OF UTAH.—

23 “(A) DEFINITIONS.—In this paragraph:

24 “(i) NAVAJO/UTAH SETTLEMENT  
25 AGREEMENT.—The term ‘Navajo/Utah

1 Settlement Agreement’ means the agree-  
2 ment entitled ‘Navajo Nation/State of  
3 Utah Water Rights Settlement Agree-  
4 ment’, dated May 27, 2022, and author-  
5 ized by section 1102 of title XI of division  
6 FF of Public Law 116–260 (134 Stat.  
7 3224).

8 “(ii) NAVAJO-UTAH WATER RIGHTS.—  
9 The term ‘Navajo-Utah water rights’ has  
10 the meaning given the term ‘Navajo water  
11 rights’ in section 1102(b) of title XI of di-  
12 vision FF of Public Law 116–260 (134  
13 Stat. 3225).

14 “(B) IN GENERAL.—Subject to paragraph  
15 (1), the Nation may provide non-Project water  
16 to communities of the Nation in the State of  
17 Utah, subject to the conditions that—

18 “(i) not more than 2,000 acre-feet per  
19 year of non-Project water may be treated,  
20 stored, or conveyed through Project and  
21 non-Project infrastructure for the benefit  
22 of those communities;

23 “(ii) any non-Project water treated or  
24 conveyed through Project and non-Project  
25 infrastructure and delivered to the New

1 Mexico state line for the benefit of those  
2 communities shall—

3 “(I) be considered part of the  
4 Navajo-Utah water rights as quan-  
5 tified in section 1102(d)(1)(A) of title  
6 XI of division FF of Public Law 116-  
7 260 (134 Stat. 3227); and

8 “(II) be accounted for as a deple-  
9 tion by the Nation to be counted  
10 against the apportionment of the  
11 State of Utah under the Compact for  
12 purposes of the depletion accounting  
13 under the Navajo/Utah Settlement  
14 Agreement;

15 “(iii) Project funds shall not be used  
16 to design, plan, construct, operate, main-  
17 tain, or repair any additional infrastruc-  
18 ture in the State of New Mexico or any in-  
19 frastructure in the State of Arizona or  
20 Utah to join the Project infrastructure to  
21 the Sweetwater pipeline (non-Project infra-  
22 structure);

23 “(iv) the share of any Project Partici-  
24 pants’ Project operation, maintenance, and  
25 replacement costs shall not be increased in

1 connection with the use of non-Project in-  
2 frastructure;

3 “(v) the United States shall have no  
4 responsibility or obligation to provide non-  
5 Project water to those communities under  
6 this paragraph and no Federal funding  
7 shall be provided for the costs to construct,  
8 operate, maintain, and replace any non-  
9 Project infrastructure necessary for stor-  
10 age and conveyance of non-Project water  
11 from the State of New Mexico to serve  
12 those communities except for funds author-  
13 ized under—

14 “(I) section 1102 of title XI of  
15 division FF of Public Law 116–260  
16 (134 Stat. 3224);

17 “(II) section 7 of the Act of Au-  
18 gust 5, 1954 (42 U.S.C. 2004a); and

19 “(III) the Indian Health Care  
20 Improvement Act (25 U.S.C. 1601 et  
21 seq.);

22 “(vi) efforts associated with providing  
23 non-Project water to those communities  
24 shall not delay the Project, or any compo-  
25 nent of the Project, in a manner that

1 would be prejudicial to any Project Partici-  
2 pant; and

3 “(vii) in addition to the requirements  
4 of this paragraph, delivery of non-Project  
5 water under this paragraph is subject to—

6 “(I) the terms of the Navajo/  
7 Utah Settlement Agreement;

8 “(II) the State of Utah issuing a  
9 decreed water right pursuant to the  
10 terms of the Navajo/Utah Settlement  
11 Agreement;

12 “(III) the State of Utah not in-  
13 curring additional financial obligations  
14 beyond those identified in the Navajo/  
15 Utah Settlement Agreement; and

16 “(IV) the execution of an imple-  
17 mentation agreement between the Na-  
18 tion and the State of Utah relating to  
19 accounting and measurement of non-  
20 Project water under this paragraph to  
21 be consistent with the terms of the  
22 Navajo/Utah Settlement Agreement.

23 “(C) CLARIFICATION.—The State of New  
24 Mexico shall have no responsibility or obligation  
25 to provide—

1                   “(i) non-Project water to communities  
2                   of the Nation in the State of Utah under  
3                   this paragraph; or

4                   “(ii) any funding under this para-  
5                   graph.”.