LEGISLATIVE SUMMARY SHEET Tracking No. 0109-24

DATE: May 13, 2024

TITLE OF RESOLUTION: AN ACTION RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND FINANCE, AND NAABIK'İYÁTI' COMMITTEES AND THE NAVAJO NATION COUNCIL; APPROVING THE NORTHEASTERN ARIZONA INDIAN WATER RIGHTS SETTLEMENT AGREEMENT; APPROVING A LIMITED WAIVER OF SOVEREIGN IMMUNITY TO ALLOW THE NAVAJO NATION TO BE JOINED AS A PARTY IN CERTAIN ACTIONS; CONSENTING AND CONDITIONALLY APPROVING ASSOCIATED RIGHTS-OF-WAY AND WAIVING ASSOCIATED TAXES REQUIRED UNDER NAVAJO LAW; REQUESTING WAIVERS OF SECTIONS CONTAINED IN 25 C.F.R. PART 169; AND APPROVING THE SIDE AGREEMENT CONCERNING C-AQUIFER PUMPING

PURPOSE: The purpose of this legislation is to approve the Northeastern Arizona Indian Water Rights Settlement Agreement and to approve a limited waiver of sovereign immunity.

Final Authority: Navajo Nation Council

Vote Required: 2/3 vote of the full membership of the Navajo Nation Council

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

1	Resources & Development Costing Time/Date 8:59m; 05-13-24	ommittee Thence
Posting End		
Eligible for	Action: 05-19-24	Thence
1	NAVAJO NATION COUNCIL RESOLUTION Naabik'íyáti' C	
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8	TRACKING NO. <u>0109-24</u>	
9	AN ACTION	
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11	RELATING TO THE RESOURCES AND DEVELOPMENT, BUDGET AND	
12	FINANCE, AND NAABIK'ÍYÁTI' COMMITTEES AND THE NAVAJO NATION	
13	COUNCIL; APPROVING THE NORTHEASTERN ARIZONA INDIAN WATER	
14	RIGHTS SETTLEMENT AGREEMENT; APPROVING A LIMITED WAIVER OF	
15	SOVEREIGN IMMUNITY TO ALLOW THE NAVAJO NATION TO BE JOINED AS	
16	A PARTY IN CERTAIN ACTIONS; CONSENTING AND CONDITIONALLY	
17	APPROVING ASSOCIATED RIGHTS-OF-WAY AND WAIVING ASSOCIATED	
18	TAXES REQUIRED UNDER NAVAJO LAW; REQUESTING WAIVERS OF	
19	SECTIONS CONTAINED IN 25 C.F.R. PART 169; AND APPROVING THE SIDE	
20	AGREEMENT CONCERNING C-AQUIFER PUMPING	
21		
22	BE IT ENACTED:	
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24	SECTION ONE. AUTHORITY	
25		
26	A. The Resources and Development Committee is a standing committee of the Navajo	
27	Nation Council empowered with oversight authority over the waters of the	
28	Navajo Nation and to protect this resource for the Navajo Nation and the Navajo	
29	People, now and for future generations. 2 N.N.C. §§ 500 (A) and 500 (C)(1).	
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- B. The Budget and Finance Committee is a standing committee of the Navajo Nation Council empowered with oversight authority over the budget, finance, investment, bonds, contracting, insurance, audits, accounting, taxes, loans, and chapter budget and finance and is empowered to review and recommend to the Navajo Nation Council the budgeting, appropriation, investment, and management of all funds. 2 N.N.C. §§300(A), 300(C), and 301(B)(2).
- C. The Naabik'íyáti' Committee is established as a standing committee of the Navajo Nation Council empowered to review proposed legislation which requires final action by the Navajo Nation Council. 2 N.N.C. §§ 164(A)(9), 700(A), and 701(A)(7).
- D. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102(A).
- E. Any waiver of tax or associated interest requires a two-thirds (2/3) vote of the full membership of the Navajo Nation Council. 24 N.N.C §106.
- F. The Navajo Nation Council is authorized to approve a limited waiver of the Navajo Nation's sovereign immunity by a two-thirds (2/3) vote of the full membership of the Navajo Nation Council. 1 N.N.C § 554(C) and 2 N.N.C § 223(C).

SECTION TWO. ARIZONA WATER RIGHTS IN THE UPPER AND LOWER COLORADO RIVER BASINS AND SETTLEMENT NEGOTIATIONS

- A. Since Navajo creation, water has served as a fundamental element to Navajo life. Tó béi da' iiná, (with water, there is life), and it is elemental to Hózhóogo Oodáál (the Navajo Way of Life). We pray and make offerings for rain to fill our rivers so our animals, crops, land, and people can grow and thrive. In the Hózhóóji (Blessingway Ceremony), we cleanse our bodies with water and wash our hair to restore harmony to our lives. Many Navajo People are connected to water through our clan names.
- B. Water is a fundamental element to Navajo ceremonial life, provides nourishment and hygiene for the Navajo People, waters Navajo crops and livestock, and sustains Navajo wildlife and riparian vegetation.

- C. In recognition of *Tó'éi'iiná at'e* (water is life), the Navajo Nation Council has determined that water is essential "to provide for a permanent homeland for the Navajo People." 22 N.N.C. § 1101.
- D. Bits'iis Nineez (River of Long Life Span the Colorado River) and Tolchi'ikooh (Red Water Wash the Little Colorado River), born from our sacred mountains, are two of the four sacred rivers that set the boundaries for Dinétah (Navajoland) and are protectors for the Navajo People. The settlement of the Navajo Nation's claims to waters located in Arizona ensures that these rivers will continue to protect the Navajo Nation and the Navajo People and sustain life on our lands forever.
- E. Navajo communities in Arizona that encompass portions of the Upper Basin of *Bits'iis Nineez* (the "Upper Basin") and the Lower Basin of *Bits'iis Nineez* (the "Lower Basin"), including the *Tolchi'ikooh* Basin (the "Little Colorado River Basin" or "LCR Basin"), have severe water infrastructure deficiencies that negatively impact the health, economy, and welfare of the Navajo People and the Navajo Nation, as recognized by the Navajo Nation Department of Water Resources. Water Resource Development Strategy for the Navajo Nation (July 2011) at VIII.
- F. In 2020, during the Coronavirus ("COVID-19") pandemic, the lack of water infrastructure on the Navajo Nation exacerbated the spread of the virus, which infected more than 90,000 Navajo People, resulted in the death of more than 2,000 Navajo People, and placed the Navajo Nation in the global and national spotlight for its lack of access to clean water. Without access to potable water, Navajo communities remain disproportionately vulnerable to COVID-19 and other infectious diseases.
- G. The lack of water infrastructure and access to potable water sources on the Navajo Nation is compounded by intensifying and rapid climate change and a megadrought impacting the American Southwest, including the Navajo Nation. Settlement of the Navajo Nation's water rights claims in Arizona will protect the Navajo People from these impacts and sustain continued life on the Navajo Nation by ensuring that meaningful water sources, including surface water from the Colorado River Upper

- Basin and Lower Basin, will be available and accessible to the Navajo People in the near term and for generations to come.
- H. Beginning in 1978, in an effort to quantify the rights of the various Tribes and other users, the State of Arizona commenced the General Stream Adjudication of the Little Colorado River ("LCR") System and Source situated in the Lower Basin (the "LCR adjudication").
- In 1985, the Navajo Nation joined the proceedings and filed its original statement of claims with respect to the LCR Basin.
- J. The Navajo Nation has been a participant and party in the active litigation of certain claims to groundwater and surface water by the Hopi Tribe in *In re the General Adjudication of All Rights to Use Water in the Little Colorado River System and Source*, Contested Case No. CV 6417-203 (the "Hopi Contested Case") since 2016. On May 25, 2022, the Special Master overseeing the case issued a recommended decree that recognized a mere third of the rights that the Hopi Tribe claimed in its Amended Statement of Claimant and established significant caps on the amount of water the Hopi Tribe can pump for domestic, commercial, municipal, and light industrial ("DCMI") uses even from aquifers underlying the Hopi Reservation. The Special Master's recommended decree is currently before the Superior Court judge.
- K. In April 2023, the Special Master conducted the Phase I trial for the Navajo Nation's claims for DCMI, livestock, and wildlife watering uses in *In re the General Adjudication of All Rights to Use Water in the Little Colorado River System and Source*, Contested Case No. CV 6417-300 (the "Navajo Nation Contested Case"). The Phase II trial of the Navajo Nation Contested Case concerning the Nation's remaining claims (cultural, unique tribal, recreation, fish, wildlife and conservation, heavy industrial/commercial, and irrigation uses) is currently set to begin in 2027.
- L. On April 15, 2023, a Leadership Meeting was held among President Buu Nygren, Speaker Crystalyne Curley, the Naabik'íyáti' Committee of the 25th Navajo Nation Council, and the Navajo Nation Water Rights Commission wherein they committed to commencing renewed efforts to settle the Navajo Nation's comprehensive claims to water rights in the State of Arizona. This has resulted in a negotiated settlement

- titled Northeastern Arizona Indian Water Rights Settlement Agreement (the "Settlement Agreement") attached as Exhibit A.
- M. On April 19, 2023, the Navajo Nation Water Rights Commission, by the authority granted in its Plan of Operation, passed NNWRC-2023-005, thereby establishing a Navajo Nation Water Rights Negotiation Team (the "Negotiation Team") to negotiate a water rights settlement with the State of Arizona and related parties, which is attached as **Exhibit B**. The Negotiation Team is comprised of Council Delegates from affected Arizona communities, representatives from the Executive Branch, legal and technical staff from the Navajo Nation Department of Justice and the Navajo Nation Department of Water Resources, and contracted consultants. Many members of the Negotiation Team grew up without running water and know on a personal level the daily hardship our Navajo People face in gaining access to the most basic of human needs, and how hard it is to support a traditional Diné livestock raising and farming way of life under those conditions.
- N. On June 16, 2023, Negotiation Team members met with representatives of the Hopi Tribe to re-initiate settlement discussions and made substantial progress in those negotiations by October 2023.
- O. On October 23, 2023, Negotiation Team members met with representatives from the Office of Arizona Governor Katie Hobbs, the Arizona Department of Water Resources, the Arizona State Land Department, the United States, and the other parties to the LCR adjudication in Phoenix, Arizona and the parties made opening statements in support of resuming negotiations for a comprehensive settlement of the Navajo Nation and the Hopi Tribe's water claims in the State of Arizona. Thereafter, the parties began meeting on a regular basis to advance settlement negotiations. By January 2024, the parties were meeting on a weekly and eventually bi-weekly basis to timely complete negotiations.
- P. In February 2024, at a critical stage of the negotiations, the non-tribal parties requested that the United States include the San Juan Southern Paiute Tribe in the negotiations, which was done.

- Q. The Negotiation Team and the interested parties, including the United States, the State of Arizona, the Hopi Tribe, and the San Juan Southern Paiute Tribe, proceeded to negotiate to resolve all water rights claims in the State of Arizona for the Navajo Nation, the Hopi Tribe, and the San Juan Southern Paiute Tribe. The Nation's predominantly Navajo Negotiation Team, with the assistance of expert outside counsel and technical staff, has fiercely protected and defended the rights of our Navajo People to water throughout these negotiations.
- R. For negotiation purposes, the Negotiation Team utilized the Navajo Nation's compiled water budget that provided projections for the next 100 years so that the negotiated settlement will ensure water for the Navajo People and the Navajo Nation well into the future and sufficient to sustain a permanent homeland for the Navajo People. The Negotiation Team also approached these negotiations with the intent of securing funding for water delivery infrastructure that will provide meaningful access to water for the Navajo People and the Navajo Nation for the long term, including clean, safe, and reliable water delivered to our Navajo Peoples' homes.
- S. In the settlement negotiations, the Negotiation Team also sought the unique flexibility the Navajo Nation must have to be able to deliver water to all of the Navajo communities spread over the vast Arizona portion of the Nation. A map of Navajo Nation Lands is attached as **Exhibit C** (Exhibit 3.1.112a to the Settlement Agreement). Specifically, the Negotiation Team sought and secured through these negotiations the ability to divert Arizona water in any of the various states the Nation extends into, and the ability to use Arizona Upper Basin Water in the Nation's Arizona Lower Basin communities, and vice versa. A Map of Navajo Nation Water Rights Claims is attached as **Exhibit D**. This flexibility is vital to water security for the Navajo People because it will allow for the dynamic and adaptive Navajo Nation global water delivery system necessary to meet the Nation's expected future population demands and mitigate intensifying climate conditions and ensure a permanent homeland for the Navajo People from time immemorial and thereafter forever.

- T. While the Navajo Nation fully intends to utilize its enforceable water rights to close the vast equity gap that exists between Navajo People at the household level and other Americans by delivering safe, potable, piped water to the more than one-third of Navajo homes on the Navajo Reservation in Arizona that currently lack access to clean, safe, and reliable water, the Negotiation Team also secured a settlement that allows the Nation to defray construction, operation, and maintenance costs through water lease and exchanges revenues while the Navajo Nation's population grows into the infrastructure supporting the Nation's claims in the Settlement Agreement.
- U. The Settlement Agreement, once approved and ratified by Congress, will recognize the enforceable water rights of the Navajo Nation, the Hopi Tribe, and the San Juan Southern Paiute Tribe in Arizona and will provide vital funding for the infrastructure development that is critical to securing for the Navajo People equal access to water that other Americans enjoy and that is a basic human right. This is critical to fulfilling the current and future needs of the Navajo People in the Arizona portion of the Navajo Reservation, and to creating a pathway home for Navajo People who have left the Navajo Reservation due to the severe water infrastructure deficiencies and chronic lack of access to water for basic household, commercial, and industrial use that has long stymied health and economic growth and prosperity on the Navajo Reservation. This is also essential to ensuring the permanency of the Navajo homeland so that the Navajo People may forever remain within our four sacred mountains and bounded by our four protecting rivers.
- V. The Settlement Agreement, once adopted by Congress, will bind all bands of Navajo People and chapters of the Navajo Nation, as well as all entities, agencies, divisions, departments, and programs thereof.
- W. The 118th Congress and the current Administration support tribal water rights settlements. The Settlement Agreement should be submitted as soon as possible and in accordance with the current congressional schedule for its consideration during this favorable time.
- X. The Settlement Agreement, once approved and ratified by Congress, will recognize the water rights of the Navajo Nation in the State of Arizona and provide billions of

dollars' worth of funding for infrastructure development that the Nation must build in order to meet the anticipated future population of the Navajo People and the growth demands of the Navajo Nation. The terms of the negotiated Settlement Agreement are summarized below (this summary is designed to make the contents of the Settlement Agreement more easily accessible; the text of the Settlement Agreement should be referred to for the actual terms of the settlement and shall control in the event of any inconsistencies or omissions):

- 1. Paragraph 1.0 Introduction. The introduction sets forth the purpose of the Settlement Agreement, which is to resolve, fully and finally, any and all claims to water from any source in the State of Arizona by: The Navajo Nation on behalf of the Navajo Nation and the Members of the Navajo Nation; the Hopi Tribe on behalf of the Hopi Tribe and the Members of the Hopi Tribe; the San Juan Southern Paiute Tribe on behalf of the San Juan Southern Paiute Tribe; the United States acting as trustee for the Navajo Nation, the Hopi Tribe, the San Juan Southern Paiute Tribe, and the Members of the Navajo Nation, the Members of the Hopi Tribe and the Members of the San Juan Southern Paiute Tribe; and the United States acting as trustee for Navajo Allottees and Hopi Allottees.
- 2. Paragraph 2.0 Parties. The parties to the settlement are the United States of America; the State of Arizona; the Navajo Nation; the Hopi Tribe; the San Juan Southern Paiute Tribe; the Central Arizona Water Conservation District; the Salt River Project Agricultural Improvement and Power District; the Salt River Valley Water Users' Association; the Arizona cities and towns of Flagstaff, Winslow, Holbrook, Taylor, Snowflake, Show Low, Eagar, Springerville, and St. Johns; Arizona Public Service Company; Bar T Bar Ranch, Inc.; Bar T Bar Ranch Company, LLP; Meteor Crater Enterprises, Inc.; Crater Ranch, LLC; Flying M Ranch, Inc.; Aztec Land and Cattle Company, Limited; Aztec Land Company, LLC; Arizona State Land Department; Arizona Game and Fish Commission; Arizona Department of

Transportation; Grover's Hill Irrigation District; J. Albert Brown Ranches, Inc.; Pioneer Irrigation Company; Show Low/Pinetop-Woodland Irrigation Company; Silver Creek Irrigation District; Lakeside Irrigation Company; Little Colorado Water Conservation District; Forest Lakes Domestic Water Improvement District; Pinetop-Lakeside Sanitary District; Porter Springs, LLC; and Atkinson Trading Company, Inc.

- 3. Paragraph 3.0 Definitions and Exhibits. This paragraph defines key terms to avoid future controversy concerning interpretation of the Settlement Agreement, and also lists all of the exhibits to the Settlement Agreement.
- 4. Paragraph 4.0 Water Rights of the Navajo Nation and Navajo Allottees. This paragraph identifies the Navajo Nation's water rights in Arizona, which are:
 - a. Underground Water: The right to use all underground water on the Navajo Reservation, subject to the inter-tribal agreement in Paragraph 7.0 regarding the N-Aquifer.
 - b. Effluent: The right to effluent developed on the Navajo Reservation for any purpose determined by the Navajo Nation; developed off of the Reservation on trust land and allotments on those lands for any purpose determined by the Navajo Nation in accordance with applicable law; and developed on Navajo-owned fee land located outside of the Reservation consistent with Arizona state law.
 - c. Springs: The right to all springs on the Navajo Reservation, subject to the inter-tribal agreement in Paragraph 7.0.
 - d. Little Colorado River Tributaries: The right to divert and deplete all surface waters of the Little Colorado River tributary streams that reach the Navajo Reservation, but without diminishment of or interference with existing non-tribal water rights on such streams.
 - e. Little Colorado River Mainstem: The right to divert and deplete all surface waters of the Little Colorado River that reach the Navajo Reservation, including specifically identified water rights and priorities for certain lands, without the right to make calls against

existing upstream or downstream off-Reservation water users with respect to such mainstem water, and with the right to make calls against new upstream or downstream off-Reservation water users. A map of the LCR Basin is attached as **Exhibit E** (Exhibit 3.1.83 to the Settlement Agreement).

- f. Navajo Nation Upper Basin Colorado River Water: The right to 44,700 acre-feet per year of Arizona's allocation of Upper Basin Colorado River Water that may be diverted in Arizona, New Mexico, or Utah and be transported and used on the Navajo Reservation within Arizona whether located in the Upper Basin or the Lower Basin, and be stored in the Frank Chee Willetto, Sr. Reservoir or the Navajo Reservoir in New Mexico or in underground storage facilities in Arizona, and may be leased or exchanged by the Navajo Nation for use in Arizona, and be transported using Central Arizona Project ("CAP") facilities.
- g. Navajo Nation Cibola Water: The right to 100 acre-feet per year of Hopi Tribe Cibola Water, if used in the same location and for the same irrigation purpose as in the Hopi Tribe Cibola contract, or 71.5 acre-feet per year if used in other locations or for a different purpose, that may be diverted in Arizona, New Mexico, or Utah and be transported and used on the Navajo Reservation within Arizona whether located in the Upper Basin or the Lower Basin, and be stored in either of the two New Mexico reservoirs or in underground storage facilities in Arizona, and may be leased or exchanged by the Nation for use in Arizona, and be transported using CAP facilities.
- h. Navajo Nation Fourth Priority Water: The right to 3,500 acre-feet per year of Fourth Priority Colorado River Water that may be diverted in Arizona, New Mexico, or Utah and transported and used on the Navajo Reservation within Arizona whether located in the Upper Basin or the Lower Basin, stored in either of the two New

Mexico reservoirs or in underground storage facilities in Arizona, leased or exchanged by the Nation for use in Arizona, and transported using CAP facilities.

- i. Navajo Allottee Water Rights: On-Reservation (non-public domain) Navajo allottees shall have the right to use an allocable portion of the Navajo Nation's water rights, solely on and limited to the allotment, in accordance with Navajo Nation law.
- j. Water Rights for Fee Lands as of the Effective Date, between the Effective Date and the Enforceability Date, and after the Enforceability Date in the LCR watershed: The Settlement Agreement establishes procedures for preparation of abstracts summarizing such water rights or uses held by persons in the LCR watershed and for the incorporation of such water rights into the LCR decree, and once incorporated into the decree, such water rights shall not be subject to objection by the parties to the LCR adjudication.
- k. Water Rights for Lands Held in Trust by the United States for the Navajo Nation as of the Effective Date, between the Effective Date and the Enforceability Date, and after the Enforceability Date in the LCR watershed: The Settlement Agreement establishes procedures for preparation of abstracts of such water rights and for incorporation of such water rights into the LCR decree, and once incorporated into the decree, such water rights shall not be subject to objection by the parties to the LCR adjudication.
- Water Rights for Fee Lands as of the Effective Date, between the
 Effective Date and the Enforceability Date, and after the
 Enforceability Date in the Verde River Subwatershed in the Gila
 River Adjudication: The Settlement Agreement establishes
 procedures for preparation of abstracts of such water rights and for
 the incorporation of such water rights into the Gila River decree, and

once incorporated into the decree, such water rights shall not be subject to objection by the parties to the Gila River adjudication.

- m. Water Rights for Lands Held in Trust by the United States for the Navajo Nation as of the Effective Date, between the Effective Date and the Enforceability Date, and after the Enforceability Date in the Verde River Subwatershed in the Gila River Adjudication: The Settlement Agreement establishes procedures for preparation of abstracts of such water rights and for the incorporation of such water rights into the Gila River decree, and once incorporated into the decree, such water rights shall not be subject to objection by the parties to the Gila River adjudication.
- n. The right to withdraw water or drill wells on the Navajo Reservation without objection by the other parties.
- o. The right to use underground water, springs, LCR tributary water, and LCR mainstem water anywhere on the Navajo Reservation and on off-Reservation trust land in Arizona.
- p. The right to use Upper Basin Colorado River Water, Cibola Water, and Fourth Priority Water anywhere on the Navajo Reservation, or off of the Reservation, but within the State of Arizona.
- q. The right to provide water for municipal use off of the Navajo Reservation from facilities physically connected to facilities on the Reservation in Arizona.
- r. The right to initiate new surface water uses for irrigation by means of direct diversion of surface water on the Navajo Reservation, subject to limitations set forth in the Settlement Agreement.

Under this paragraph, the Settlement Agreement requires the Navajo Nation to report to the Arizona Department of Water Resources ("ADWR") all water diversion amounts, points of diversion, places of use, storage, leases and exchanges of Upper Basin Colorado River Water, Cibola Water, and Fourth Priority Water, and to install measuring devices near points of diversion.

- 5. Paragraph 5.0 Water Rights of the Hopi Tribe and Hopi Allottees. This paragraph identifies the Hopi Tribe's water rights in Arizona, which are:
 - a. Underground Water: The right to use all underground water on the Hopi Reservation, subject to the inter-tribal agreement in Paragraph 7.0 regarding the N-Aquifer.
 - b. Effluent: The right to effluent developed on the Hopi Reservation for any purpose determined by the Hopi Tribe; developed off of the Reservation on trust land for any purpose determined by the Hopi Tribe in accordance with applicable law; and developed on Hopiowned fee land located off of the Reservation consistent with Arizona state law.
 - c. Surface Water: The right to divert and deplete all surface water that reaches or flows within the Hopi Reservation.
 - d. Springs: The right to all springs on the Hopi Reservation, subject to the inter-tribal agreement in Paragraph 7.0.
 - e. Hopi Tribe Upper Basin Colorado River Water: The right to 2,300 acre-feet per year of Arizona's allocation of Upper Basin Colorado River water, for transport and use anywhere on the Hopi Reservation and within Arizona whether located in the Upper Basin or Lower Basin, for storage in underground storage facilities in Arizona, for lease and exchange, and which may be transported using CAP facilities.
 - f. Hopi Tribe Cibola water: The right to 4,178 acre-feet per year of Fourth Priority Water, 750 acre-feet per year of Fifth Priority Water, and 1,000 acre-feet per year of Sixth Priority Water for use only within the State of Arizona, consistent with the provisions of the Hopi Tribe Cibola contract, or if outside such contractual provisions, then according to a consumptive use calculation by the Secretary of the Interior (or the "Secretary"), for storage in

- underground storage facilities in Arizona, for lease and exchange, and which may be transported using CAP facilities.
- g. Hopi Allottees: Hopi allottees' rights are settled and described in abstracts and are held in trust by the United States for the benefit of the Hopi allottees.
- h. Water Rights for Fee Lands as of the Effective Date, between the Effective Date and the Enforceability Date, and after the Enforceability Date in the LCR watershed: The Settlement Agreement establishes procedures for preparation of abstracts of such water rights and for the incorporation of such water rights into the LCR decree, and once incorporated into the decree, such water rights shall not be subject to objection by the parties to the LCR adjudication.
- i. Water Rights for Lands Held in Trust by the United States for the Hopi Tribe as of the Effective Date, between the Effective Date and the Enforceability Date, and after the Enforceability Date in the LCR watershed: The Settlement Agreement establishes procedures for preparation of abstracts of such water rights and for the incorporation of such water rights into the LCR decree, and once incorporated into the decree, such water rights shall not be subject to objection by the parties to the LCR adjudication.
- j. The right to withdraw water or drill wells on trust or off-Reservation fee or trust lands.
- k. The right to use underground water, surface water, and springs anywhere on the Hopi Reservation.
- 1. The right to use Upper Basin Colorado River Water and Cibola Water anywhere on the Hopi Reservation, or off of the Reservation but within the State of Arizona.

- m. The right to provide water for municipal use off of the Hopi Reservation from facilities physically connected to facilities on the Reservation.
- n. The right to subordinate senior rights under the Norviel Decree to junior users. (The Norviel Decree is a decision from a 1918 Arizona Superior Court for the County of Apache settling the water rights of a small portion of the LCR watershed in Apache County; it includes the water rights for certain fee lands purchased by the Hopi Tribe near Eager, Arizona (the 26 Bar Ranch).)

Under this paragraph, the Settlement Agreement requires the Hopi Tribe to report to the Arizona Department of Water Resources all water diversion amounts, points of diversion, places of use, storage, leases and exchanges of Upper Basin Colorado River Water and Cibola Water, and to install measuring devices near points of diversion.

- 6. Paragraph 6.0 San Juan Southern Paiute Tribe Land and Water Rights.
 - a. This paragraph proclaims the San Juan Southern Paiute Reservation, including water rights, consisting of 5,400 acres of land within the Navajo Reservation and described in the Treaty and Treaty Addendum as the San Juan Southern Paiute Northern Area ("Northern Area") and the San Juan Southern Paiute Southern Area ("Southern Area"), which lands shall be held in trust by the United States for the benefit of the San Juan Southern Paiute Tribe.
 - b. This paragraph identifies the San Juan Southern Paiute Tribe's water rights in Arizona, which are:
 - i. The right to all underground water on the Southern Area.
 - ii. The right to all effluent developed by the San Juan Southern Paiute Tribe for use on the Southern Area for any purpose determined by the Tribe; developed off of the Southern Area on trust land in accordance with applicable law; and developed on San Juan Southern

- Paiute Tribe fee land located outside of the Southern Area consistent with Arizona state law.
- iii. Surface Water: The right to divert and deplete all surface water that reaches or flows within the Southern Area.
- iv. Springs: The right to all springs on the Southern Area.
- v. The right to water delivered by the Navajo Nation through a service agreement with the Navajo Tribal Utility Authority ("NTUA") to the Southern Area, in an amount not to exceed 350 acre-feet per year.
- vi. Water Rights for Fee Lands as of the Effective Date, between the Effective Date and the Enforceability Date, and after the Enforceability Date in the LCR watershed: The Settlement Agreement establishes procedures for preparation of abstracts of such water rights and for the incorporation of such water rights in the LCR decree, and once incorporated in the decree, such water rights shall not be subject to objection by the parties to the LCR adjudication.
- vii. Water Rights for Lands Held in Trust by the United States for the San Juan Southern Paiute Tribe as of the Effective Date, between the Effective Date and the Enforceability Date, and after the Enforceability Date in the LCR watershed: The Settlement Agreement establishes procedures for preparation of abstracts of such water rights and for the incorporation of such water rights in the LCR decree, and once incorporated in the decree, such water rights shall not be subject to objection by the parties to the LCR adjudication.

- viii. Underground water, surface water, and NTUA delivered water may not be used off of the Southern Area or off of trust land.
- 7. Paragraph 7.0 Navajo Nation and Hopi Tribe Inter-Tribal Agreement for Uses of the Managed Washes and N-Aquifer.
 - a. This paragraph sets forth the inter-tribal agreement between the Navajo Nation and the Hopi Tribe regarding the uses and management of managed washes, minor tributary washes, springs, and the N-Aquifer, and identifies certain obligations of the United States. *See* map of N-Aquifer Boundary Springs attached as **Exhibit** F (Exhibit 7.2.3.5.3 to the Settlement Agreement).
 - b. Tribal Wash Management: Each Tribe has the right to use water flowing in washes on each Reservation upstream of the other Tribe's Reservation. This paragraph does not apply to any water use downstream of the southern boundary of the Hopi Reservation.
 - i. Historic and existing irrigation uses as of the Effective Date may continue without objection by the parties to the LCR adjudication, and any dispute between the Tribes regarding such uses shall be resolved pursuant to the dispute resolution provision of the inter-tribal agreement. See map of Designated Historic Irrigation Project General Location attached as Exhibit G (Exhibit 7.1.1.2D to the Settlement Agreement). Rehabilitation and betterment of existing structures is permitted.
 - ii. New surface water impoundments in the washes are permitted only to prevent erosion and incision, and to enhance wash recharge, and each Tribe must notify the other of impoundment construction that will store more than 15 acre-feet per year, or of relocation of an existing

- impoundment. Greater storage is only permitted with the prior written consent of the other Tribe.
- iii. The Hopi Tribe may construct new surface water impoundments on lands awarded to it in the 1934 Act case, not to exceed a total capacity of 300 acre-feet.
- iv. Pasture Canyon flows are exclusively for the Hopi Tribe, except for Navajo rights recognized in the 1934 Act case, and upstream uses existing as of the Effective Date.
- v. The Navajo Nation and the Hopi Tribe agree to jointly investigate the feasibility of Moenkopi Wash alluvial aquifer storage and the rehabilitation and betterment of the Kerley Valley Project.
- vi. The Tribes agree to cooperate in monitoring stream flows in the managed washes.
- vii. The Tribes agree to cooperate on watershed restoration efforts, including implementing low technology watershed restoration methods, and where such activities are planned to occur on the major tributary washes or on minor tributary washes located on the Reservation of the other Tribe, with prior consent of the other Tribe.
- viii. Water uses in sub-basins located in a managed wash or minor tributary wash that do not contribute to any surface flow outside of that sub-basin are not subject to these restrictions. *See* map of On Reservation Closed Basins attached as **Exhibit H** (Exhibit 3.1.21b to the Settlement Agreement).
- c. This paragraph applies to the use by either or both Tribes of underground water from the N-Aquifer, and identifies pumping limits to which both Tribes agree in order to protect the N-Aquifer.

- i. Total pumping from the confined N-Aquifer and the Shonto Recharge Area shall not exceed 14,000 acre-feet per year. Of the total limit, pumping by the Navajo Nation shall not exceed 8,400 acre-feet per year and pumping by the Hopi Tribe shall not exceed 5,600 acre-feet per year. No more than 2,000 acre-feet per year may be pumped for industrial uses by each Tribe. See Map of the Extent and Confined Portion of N-Aquifer within the LCR Basin attached as Exhibit I (Exhibit 3.1.24 to the Settlement Agreement) and Map of the N-Aquifer attached as Exhibit J (Exhibit 3.1.96 to the Settlement Agreement).
- Domestic and municipal uses of water from the N-Aquifer have priority.
- iii. New wells may be developed after the Effective Date with notice to the other Tribe, however, no new wells may be developed in the restricted zone which is one-half mile on either side of the Navajo-Hopi boundary line. See map of N-Aquifer Restricted Buffer Zone attached as Exhibit K (Exhibit 3.1.138 to the Settlement Agreement).
- iv. The Tribes agree to develop interconnection infrastructure between NTUA and Moenkopi.
- v. The Tribes agree that the United States, through the United States Geological Survey ("USGS"), will continue to monitor the N-Aquifer, prepare assessment reports, and conduct modeling of the aquifer to predict its long-term viability, and the USGS will meet periodically with the Tribes to discuss these monitoring analyses.

- vi. The Tribes agree to jointly work to secure funding for the USGS monitoring activities, which may include contribution of funds from both Tribes.
- d. The inter-tribal agreement establishes a dispute resolution procedure to resolve disputes arising under the inter-tribal agreement and creates a special inter-tribal commission for dispute resolution whose decisions are final and binding on both Tribes.
- e. The inter-tribal agreement establishes notice provisions for all notices required under this paragraph.
- 8. Paragraph 8.0 Off-Reservation Uses of Surface Water
 - a. This paragraph identifies the permitted and prohibited existing and future surface water claims and uses outside of the Navajo, Hopi, and San Juan Southern Paiute Reservations in the LCR watershed.
 - b. Certain listed claimants are required to submit abstracts of existing surface water rights claims and uses, and the Tribes agree not to object to those water rights or their inclusion in the LCR decree. The Tribes also agree not to object to existing surface water rights claims and uses that are not listed in abstracts as of the Effective Date. The claimants submitting abstracts may not claim any storage rights that exceed the existing storage capacity described in the abstracts, the Tribes may object to any claim that does exceed the amounts in the abstracts, and the Hopi Tribe may exercise rights of priority for its rights set forth in the Norviel decree.
 - c. The parties, including the Tribes and the United States, agree to be bound by the Zuni settlement, final judgment and decree.
 - d. New off-Reservation surface water uses may be made in accordance with the Settlement Agreement, as follows:
 - i. The parties may make new surface water uses in accordance with state law and the terms of the Settlement Agreement, and the Tribes may make new surface water

uses in accordance with Paragraphs 4.0 (Navajo Nation water rights), 5.0 (Hopi Tribe water rights), and 6.0 (San Juan Southern Paiute Tribe water rights).

- ii. Except as provided in specific provisions of the Settlement Agreement, the Tribes, and the United States acting as trustee, agree not to object to or challenge new surface water uses, but the Tribes and the United States acting as trustee retain the right to place a call or exercise rights of priority against new surface water uses based on rights to the use of surface water arising under state law or the Settlement Agreement that are associated with land owned in fee by a Tribe or Off-Reservation land held in trust by the United States for the benefit of a Tribe.
- iii. No new surface water uses for irrigation may be made by direct stream diversion, including a prohibition against new direct stream diversions in the Three Canyon Area and in the area governed by the Norviel decree, and the Tribes retain the right to object to any such direct stream diversions in contravention of the Settlement Agreement.
- The United States agrees not to object on behalf of public domain allottees to new surface water uses.
- e. The Tribes agree not to object to the withdrawal and use of off-Reservation subflow.
 - This agreement not to object includes the two wells used by Atkinson Trading Company ("Atkinson") near Cameron, or any well developed to replace those two wells, and the Navajo Nation agrees to meet and confer

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with Atkinson should the Navajo Nation determine to develop wells in the area.

- f. The parties agree not to construct new off-Reservation reservoirs, except as follows:
 - If the new reservoir is wholly contained in a closed basin.
 See map of Off Reservation Closed Basin attached as
 Exhibit L (Exhibit 3.1.21a to the Settlement Agreement).
 - If the new reservoir is located in the lower LCR watershed and the water is stored for municipal uses in the lower LCR watershed.
 - iii. If the new reservoir stores water that becomes available as a result of a change in place or purpose of use, or change in point of diversion within the same watershed.
 - iv. If the new reservoir has no permanent storage and is operated solely for flood control.
 - v. If the new reservoir is C.C. Cragin Reservoir (which transports water outside of the lower LCR watershed), or the Lake Mary Reservoirs (which serve municipal uses by Flagstaff).
 - vi. If the new reservoir impounds effluent.
 - vii. If the new reservoir impounds tailwater.
 - viii. If the new reservoir impounds underground water.
- g. The Navajo Nation may construct new off-Reservation reservoirs or expand existing off-Reservation reservoirs in accordance with state law in the lower LCR watershed, such as McHood Reservoir, but may not construct new reservoirs in the Upper Clear Creek, Lower Clear Creek, and Walnut Creek hydrologic units.
- h. The Hopi Tribe has the right to share up to 50% of stored water available for Navajo Nation off-Reservation storage projects

bordering Hopi lands, including any enlargement of McHood Reservoir, if the Hopi Tribe pays for its share of related costs, and the Hopi Tribe agrees to grant easements to the Navajo Nation for any storage project in the Three Canyon Area.

- i. The Navajo Nation and the United States as trustee to the Nation or Navajo allottees agree not to object to reservoir or impoundment operation, maintenance, and modification activities that are done in accordance with the Settlement Agreement, but the Nation and the United States as trustee to the Nation or Navajo allottees retain the right to object to such activities that are not in accordance with the settlement, and the LCR adjudication court has exclusive jurisdiction to resolve such objections. Any objection must demonstrate that the reservoir operation, maintenance, or modification causes injury to rights to surface water.
- j. The parties agree not to object to new off-Reservation reservoirs constructed in accordance with the Settlement Agreement, but retain the right to object to such activities that are not in accordance with the settlement, and the LCR adjudication court has exclusive jurisdiction to resolve such objections.
- k. The Tribes, and the United States as trustee, agree to file any application for severance and transfer, change in place of use or purposes of use, or change in point of diversion of a decreed off-Reservation surface water right in the LCR adjudication court, which court shall conduct hearings on such application; and also agree not to object to applications for severance and transfer, change in place of use or purpose of use, or change in point of diversion of an off-Reservation surface water right or relocation of an existing off-Reservation reservoir within the same watershed of the LCR, unless:

- i. The Hopi Tribe can demonstrate that the application will cause injury to its rights under the Norviel decree.
- ii. The application will result in a storage capacity of greater than 500 acre-feet (except for storage capacity for the C.C. Cragin Reservoir and the Lake Mary Reservoirs), and will cause injury to rights to surface water.
- Other than with respect to the C.C. Cragin Reservoir and the Lake
 Mary Reservoirs, no party may transport surface water diverted
 within the LCR watershed outside of the LCR watershed. The
 Tribes, the United States, and other parties retain the right to object
 to any person that constructs and operates a reservoir in violation of
 the Settlement Agreement.
- m. The Tribes and the parties agree not to object to any existing surface water use in the LCR watershed, including the Hopi Tribe's rights in the Norviel decree, based upon forfeiture or abandonment.
- n. The Navajo Nation bears the burden of proof when asserting claims for injury to rights to surface water.
- Paragraph 9.0 Off-Reservation Groundwater Withdrawals and Uses Within
 the LCR watershed, including Buffer Zones 1 and 2 south of the Navajo
 Reservation. See map of the Buffer Zones attached as Exhibit M (Exhibit
 3.1.12 to the Settlement Agreement).
 - a. This paragraph applies to groundwater withdrawals and uses within the LCR watershed and outside of the Navajo, Hopi, and San Juan Southern Paiute Reservations.
 - b. The Tribes agree not to object to the withdrawal or use of groundwater from any off-Reservation well located outside of Buffer Zones 1 and 2, including replacement wells.
 - ADWR agrees to catalog all existing wells located inside of Buffer
 Zones 1 and 2, other than existing wells owned in trust by the United

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States for the benefit of a Tribe and the LCR adjudication court shall distribute the catalog, once completed, to the court approved mailing list and existing well owners.

- Certain persons may object to the catalog on the basis of omission or inaccurate information regarding wells in the catalog.
- Any wells not included in the catalog shall be treated as new wells.
- d. Within Buffer Zone 1, the Tribes may object to existing wells if they withdraw more water than set forth in the catalog, and within Buffer Zone 2, the Tribes may object to existing wells if they withdraw more water than set forth in the catalog, or more than the greater of 500 gallons per minute ("GPM") or a volume of 800 acre-feet per year.
- e. Existing wells within the buffer zones may be replaced, with limits on total well capacity and location of the replacement wells.
- f. Exempt wells (pumps no more than 35 GPM) within the buffer zones are not included in the ADWR catalog and are not subject to objection.
- g. If a new non-exempt well (a well that pumps more than 35 GPM) is drilled within Buffer Zone 1, the Navajo Nation retains rights to assert a claim for injury to rights to groundwater caused by such new well.
- h. If a new non-exempt well is drilled within Buffer Zone 2, the Navajo Nation retains rights to assert a claim for injury to rights to groundwater for wells greater than 500 GPM capacity, unless the new well complies with well spacing configurations. Certain additional constraints apply to wells developed on Arizona State Land Department lands.

- i. The Navajo Nation has the burden of proof when asserting claims for injury to rights to groundwater.
- j. ADWR will assert reasonable efforts to notify all persons intending to drill a new well or replace an existing well in the buffer zones that they are subject to potential claims by the Tribes.
- k. An additional agreement among the Navajo Nation, Hopi Tribe, United States as trustee for the Tribes, Bar T Bar Ranch, and the Arizona State Land Department is attached to the Settlement Agreement and identifies additional buffers and restrictions on well development. (See Section Four below for a discussion of this agreement.)
- Paragraph 10.0 Navajo Nation Water Delivery Contracts and Related Provisions.
 - a. This paragraph requires the Secretary of the Interior to enter into contracts with the Navajo Nation for delivery and use of the Navajo Nation Upper Basin Colorado River Water, Navajo Nation Cibola Water, and Navajo Nation Fourth Priority Water and sets forth the terms and conditions for the contracts.
 - b. The Navajo Nation agrees that Navajo Nation Cibola Water and Navajo Nation Fourth Priority Water may be curtailed to the same extent as other non-CAP Fourth Priority Colorado River Water supplies in times of shortage.
 - c. The Navajo Nation may lease and store its water which is delivered pursuant to contracts with the Secretary on the Reservation in accordance with Navajo law. The Navajo Nation may lease, exchange, and store its water delivered pursuant to contracts with the Secretary off of the Reservation with the approval of the Secretary and with the Central Arizona Water Conservation District's (CAWCD) approval of the leased, exchanged, or stored water if the water will be transported through the CAP system. The

lessee is responsible for all charges and fees, and the Navajo Nation is entitled to all compensation under any contracts to lease, options to lease, contracts to exchange, or options to exchange the Navajo Nation Upper Basin Colorado River Water, Navajo Nation Cibola Water, and Navajo Nation Fourth Priority Water.

- 11. Paragraph 11.0 Hopi Tribe Water Delivery Contracts and Related Provisions.
 - a. This paragraph requires the Secretary of the Interior to enter into contracts with the Hopi Tribe for delivery and use of the Hopi Tribe Upper Basin Colorado River and Hopi Tribe Cibola Water and sets forth the principal terms and conditions for the contracts.
 - b. The Hopi Tribe agrees that its Cibola Water may be curtailed to the same extent as other non-CAP Colorado River Water supplies of the same classification in times of shortage.
 - c. The Hopi Tribe may lease, exchange, and store its water which is delivered pursuant to contracts with the Secretary on the Reservation in accordance with Hopi law, and off of the Reservation with the approval of the Secretary and with CAWCD's approval of the leased, exchanged, or stored water if the water will be transported through the CAP system. The lessee is responsible for all charges and fees, and the Hopi Tribe is entitled to all compensation under any contracts to lease, options to lease, contracts to exchange, or options to exchange the Hopi Tribe Upper Basin Colorado River Water and Hopi Tribe Cibola Water.
- 12. Paragraph 12.0 Infrastructure, Funding and Related Support.
 - a. This paragraph establishes a non-trust fund known as the iiná bá paa tuwaqat'si pipeline Implementation Fund Account, and a series of trust funds to which money will be deposited for use by the Tribes and the United States to plan, design, construct, operate, and maintain water supply infrastructure to the Navajo, Hopi, and San

Juan Southern Paiute Southern Area Reservations, as well as trust and fee lands outside of the Reservations and funds to support those efforts.

- b. The iiná bá paa tuwaqat'si pipeline Implementation Fund Account will consist of \$1.715 billion, together with interest and any additional funding authorized in the settlement act, by which the Bureau of Reclamation will plan, design, and construct the iiná bá paa tuwaqat'si pipeline on the Navajo Reservation, Hopi Reservation, and San Juan Southern Paiute Southern Area to transport water from Lake Powell to the Reservation communities for domestic, commercial, municipal, and industrial water uses.
 - i. There shall be a project construction committee consisting of the Bureau of Reclamation, Bureau of Indian Affairs, Navajo Nation, Hopi Tribe, and the San Juan Southern Paiute Tribe to participate in project planning.
 - ii. The Navajo Nation and the Hopi Tribe agree to execute a project operations agreement to address water distribution, operation and maintenance of the pipeline, allocation of payment for operation and maintenance, and the right to sue in federal district court to enforce the agreement.
- c. Navajo Nation Water Settlement Trust Fund. The Settlement Agreement establishes trust funds for the benefit of the Navajo Nation, as follows:
 - i. The Navajo Nation Water Projects Trust Fund Account consists of \$2.3692 billion for specified projects on the Navajo Reservation to provide Reservation communities with potable water, storage water and other water infrastructure.

- ii. The Navajo Nation OM&R Trust Fund Account consists of \$229.5 million to support operation, maintenance, and replacement of each of the projects.
- iii. The Navajo Nation Renewable Energy Trust Fund Account consists of \$40 million to fund renewable energy facilities to support the water projects.
- iv. The Navajo Nation Agricultural Conservation Trust Fund Account consists of \$80 million to support historically irrigated acreage by implementing modernized irrigation infrastructure, and including replacement and development of livestock wells.
- v. Navajo Nation Lower Basin Colorado River Water Acquisition Trust Fund Account consists of \$28 million to purchase land with senior water rights with the intention to sever and transfer such water rights for reallocation to the Navajo Nation.
- d. Hopi Tribe Water Settlement Trust Fund. The Settlement Agreement establishes trust funds for the benefit of the Hopi Tribe, as follows:
 - i. The Hopi Tribe Groundwater Projects Trust Fund Account consists of \$390 million for specified projects on the Hopi Reservation to provide water infrastructure as follows:
 - a) The Side Rock-Moenkopi Groundwater Project to provide potable water to Moenkopi and unserved locations on the Hopi Reservation.
 - b) The Expanded Hopi Arsenic Mitigation Project to provide potable water to communities at First, Second, and Third Mesas and Keams Canyon.

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- ii. The Hopi Tribe OM&R Trust Fund Account consists of \$87 million to support operation, maintenance, and replacement for the Hopi Tribe groundwater projects.
- iii. The Hopi Tribe Agricultural Conservation Trust Fund Account consists of \$30 million to support historically irrigated acreage by implementing modernized irrigation infrastructure, and including replacement and development of livestock wells.
- iv. The Hopi Tribe Lower Basin Colorado River Water Acquisition Trust Fund Account consists of \$1.5 million to purchase land with senior water rights with the intention to sever and transfer such water rights for reallocation to the Hopi Tribe.
- e. San Juan Southern Paiute Water Settlement Trust Fund. The Settlement Agreement establishes trust funds for the benefit of the San Juan Southern Paiute Tribe, as follows:

 - ii. The San Juan Southern Paiute OM&R Trust Fund Account consists of \$1.5 million to support operation, maintenance and replacement for the San Juan Southern Paiute Tribe groundwater project.
 - iii. The San Juan Southern Paiute Agricultural Conservation
 Trust Fund Account consists of \$0.3 million to support
 historically irrigated acreage by implementing
 modernized irrigation infrastructure, and including
 replacement and development of livestock wells.
- f. This paragraph provides that the Tribes shall agree to consent to: (1) grants of rights-of-way, construction corridors or other legal devices

to the United States for planning, design, construction, access, operation, maintenance, modification, and replacement of the iiná bá – paa tuwaqat'si pipeline and (2) grants of rights-of-way for planning, design, construction, access, operation, maintenance, modification, and replacement of the other projects identified and funded by the settlement.

- g. The Navajo Nation's consent to the United States for a right-of-way for the iiná bá paa tuwaqat'si pipeline will be perpetual and without charge or other consideration from the United States, including a waiver of any right to tax the right-of-way.
- h. Each Tribe shall timely consent to the grant of perpetual, non-exclusive rights-of-way to the other Tribes, for purposes of coming upon and using land within the consenting Tribe's Reservation to plan, design, construct, access, operate, maintain, modify, and replace the tribal water projects authorized in the Settlement Agreement and any infrastructure reasonably necessary to operate said projects, without charge or other payment or consideration from the other Tribes, excepting surface damages, and waiving any tax of such rights-of-way.
- i. The Hopi Tribe agrees to consent to a perpetual right-of-way to NTUA to plan, design, construct, access, maintain, modify, and replace a natural gas pipeline and any associated infrastructure, without charge or other consideration from the Navajo Nation or the United States, including waiver of any right to tax the right-of-way.
- j. Each of the Tribes may determine to amend any of the projects identified in this paragraph, except for the iiná bá paa tuwaqat'si pipeline.
- 13. Paragraph 13.0 Waivers, Releases and Retention of Claims.
 - a. This paragraph sets forth the Navajo Nation's waivers of claims against the State of Arizona, the Hopi Tribe, the Hopi Allottees, the

San Juan Southern Paiute Tribe, and any other individual, entity, corporation, or municipal corporation for all water rights settled under the Settlement Agreement, including all past, present and future claims for such water, and for claims of past or present injury to such water rights.

- b. This paragraph identifies the claims retained by the Navajo Nation, which are for injury to and enforcement of the rights set forth in the Settlement Agreement; for new water rights for land owned or acquired in fee by the Navajo Nation or in trust by the United States for the Navajo Nation's benefit; for injury to water rights by any tribe other than the Hopi Tribe, the San Juan Southern Paiute Tribe or the Zuni Tribe; and against water rights claims by or for any tribe other than the Hopi Tribe, the San Juan Southern Paiute Tribe or the Zuni Tribe.
- c. This paragraph sets forth the United States' waiver of claims on behalf of the Navajo Allottees against the State of Arizona, the Navajo Nation, the Hopi Tribe, the Hopi Allottees, and the San Juan Southern Paiute Tribe for all water rights settled under the Settlement Agreement, including all past, present and future claims for such water, and for claims of past, present, or future injury to such water rights.
- d. This paragraph identifies the claims retained by the United States on behalf of the Navajo Allottees, which are for injury to and enforcement of the rights set forth in the Settlement Agreement, and against water rights claims for or injury resulting from the water rights claims of any tribe other than the Navajo Nation, the Hopi Tribe, the San Juan Southern Paiute Tribe or the Zuni Tribe.
- e. This paragraph sets forth the Navajo Nation's waivers of claims against the United States for all water rights settled under the Settlement Agreement, including all past, present and future claims

for such water; claims of past or present injury to such water rights; past, present, and future claims arising out of monitoring activities by the United States; past and present claims related to foregone benefits from non-Navajo use of water; past and present claims based on damage, loss, or injury to land or natural resources due to loss of water or water rights related to hunting, fishing, gathering, or cultural rights; past and present claims related to failure to establish or provide water delivery systems; past and present claims relating to irrigation projects; and past and present claims based on failures to provide dam safety improvements.

- f. This paragraph identifies the claims retained by the Navajo Nation against the United States, which are for injury to and enforcement of the rights set forth in the Settlement Agreement; for new water rights for land owned or acquired in fee by the Navajo Nation; against water rights claims for or for injury resulting from the water rights claims of any tribe other than the Hopi Tribe, the San Juan Southern Paiute or the Zuni Tribe.
- g. This paragraph identifies the United States' waivers of claims against the Navajo Nation and members of the Navajo Nation for all claims of past or present injury to water rights settled under the Settlement Agreement.
- h. This paragraph identifies the United States' retention of all claims not expressly waived against the Navajo Nation and the members of the Navajo Nation.
- i. This paragraph identifies the non-tribal parties' waivers of claims against the Navajo Nation and members of the Navajo Nation, and the United States as trustee for the Navajo Nation and Navajo Allotees for all past and present claims for injury to water rights resulting from the diversion or use of water on Navajo land or Navajo allotments.

- j. This paragraph identifies the non-tribal parties' retention of claims for injury to or enforcement of their rights under the Settlement Agreement and for claims arising after the enforceability date.
- k. In addition to the waivers that the Navajo Nation provides in the Settlement Agreement, the Hopi Tribe and the San Juan Southern Paiute Tribe, and the United States on their behalf, provide similar waivers and affirm similar retentions.
- 1. For information on additional waivers and retentions, refer to Paragraph 13.0 of the Settlement Agreement.
- m. The Settlement Agreement represents full and complete satisfaction of the water rights claims of the Navajo Nation and its members, the Navajo Allottees, the United States as trustee for the Navajo Allottees, the Hopi Tribe and its members, the Hopi Allottees, the United States as trustee for the Hopi Allottees, and the San Juan Southern Paiute Tribe and its members.
- n. Nothing in the Settlement Agreement precludes the United States or the applicable Tribe from enforcing federal and tribal environmental laws and regulations on the Navajo Reservation, the Hopi Reservation, the San Juan Southern Paiute Reservation, and all trust lands held by the United States for the benefit of the Navajo Nation, the Hopi Tribe and the San Juan Southern Paiute Tribe.

14. Paragraph 14.0 – Enforceability Date.

- a. This paragraph identifies the conditions precedent that must be met for the Settlement Agreement to become binding on the United States, known as the Enforceability Date. Those conditions are: Publication in the Federal Register a statement of findings that:
 - The Settlement Agreement has been amended to conform to the settlement act, including all exhibits to the Settlement Agreement.

- ii. The amended Settlement Agreement has been signed by all parties, and any exhibits requiring amendment have been signed by the required parties.
- iii. The waivers and releases have been executed.
- iv. \$5 billion has been appropriated and deposited in the appropriate accounts.
- v. The LCR decree has been approved by the LCR adjudication court.
- vi. The Gila River decree has been approved by the Gila River adjudication court.
- vii. NTUA and the San Juan Southern Paiute Tribe have executed a service agreement.
- viii. The Navajo Nation, the Hopi Tribe and the San Juan Southern Paiute Tribe have executed tribal resolutions consenting to a limited waiver of sovereign immunity from suit.
- b. If the conditions precedent are not satisfied, the Settlement Agreement will become void.
- c. If the conditions precedent are not satisfied, the San Juan Southern Paiute Reservation will continue to be in force and effect.
- 15. Paragraph 15.0 Other Provisions.
 - a. No impairment of existing rights, including no impairment of the right to the delivery or beneficial or consumptive use of Colorado River Water under the 1944 Treaty with Mexico.
 - b. No quantification of public domain allottee water rights, or effect on the ability of public domain allottees to make water rights claims.
 - c. Modification and amendment of the Settlement Agreement and exhibits thereto may be made in writing upon agreement of all parties, but modification or amendment of exhibits may not violate

- the settlement act or the Settlement Agreement or adversely affect the rights of any party not a signatory to such amendment.
- d. The Governor may execute the Settlement Agreement on behalf of the State of Arizona. The Arizona state agencies that are parties to the Settlement Agreement may execute the Settlement Agreement on their own behalf.
- e. The parties to the Settlement Agreement become bound on the effective date, except for the United States which becomes bound on the Enforceability Date.
- f. Within 30 days of the Effective Date, the parties shall seek to stay all LCR litigation relating to the Navajo Nation, the Hopi Tribe, the San Juan Southern Paiute Tribe, and the United States on their behalf.
- g. Any party may petition a court of competent jurisdiction to enforce the terms of the Settlement Agreement.
- h. The Settlement Agreement is construed in accordance with applicable law.
- i. All expenditure or advance of federal or state funds are contingent upon the appropriation of such funds.
- No member of Congress shall receive a personal benefit from the settlement.
- k. Only the claims of the Navajo Nation, the Hopi Tribe and the San Juan Southern Paiute Tribe are settled by the settlement and no other tribal claims are affected by the settlement.
- Any person who is not a party to the Settlement Agreement but whose water rights are protected by the Settlement Agreement is a third-party beneficiary and is entitled to enforce the provisions of the Settlement Agreement against the parties.

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- m. The parties other than the state parties and the United States agree not to seek any legislation that would allow groundwater to be transported away from the LCR basin.
- n. Other than recognition of the right to withdraw or use underground water from the two existing Atkinson Trading Company wells, nothing in the Settlement Agreement addresses jurisdiction over land that Atkinson owns or claims to own, and the United States and the Navajo Nation retain all rights and claims concerning such land.
- Y. Since January 29, 2024, the Navajo Nation Water Rights Commission, with legal and technical assistance from the Navajo Nation Department of Justice and the Navajo Nation Department of Water Resources, provided 31 public presentations on the Navajo Nation's Arizona water rights claims and related litigation and settlement efforts to over 733 individuals in 25 different chapter communities. Presentations were also provided to the Diné Hataalii Association, the Navajo Nation Human Rights Commission, Navajo Nation Enterprises, and Agency Councils. The Navajo Nation Water Rights Commission also hosted 7 forums simultaneously on radio and social media livestreams. The radio forums were rebroadcasted to ensure broad listenership, and the livestreams were played on the President's Facebook and YouTube accounts, the Navajo Nation Council's Facebook and YouTube accounts, the Water Rights Commission's Facebook page, and the Attorney General's Facebook page to maximize viewership. The Department of Justice also conducted livestreams on the Attorney General's Facebook page and as part of the President's Lunch & Learn series broadcast on Facebook and YouTube. The various social media livestreams have received engagement from over 33,000 viewers.
- Z. On May 8, 2024, the Navajo Nation Water Rights Commission, through NNWRC-2024-012, passed a resolution expanding the Negotiation Team to include additional Council Delegates from affected communities who have participated in settlement negotiations. Navajo Nation Water Rights Commission Resolution NNWRC-2024-012 is attached as Exhibit N.

- AA. On May 9, 2024, the Navajo Nation Water Rights Commission, through NNWRC-2024-014, passed a resolution endorsing and recommending to the Navajo Nation Council to approve the Settlement Agreement. Navajo Nation Water Rights Commission Resolution NNWRC-2024-014 is attached as **Exhibit O**.
- BB. Consistent with the concept of *Tó'éi'iiná at'e*, the Navajo Nation Council has determined that it is in the best interest of the Arizona Chapters of the Navajo Nation, the members of the Navajo Nation residing therein, and the Navajo Nation as a whole, to approve the Settlement Agreement.

SECTION THREE. ASSOCIATED RIGHTS-OF-WAY

- A. Pursuant to Paragraph 12.5 of the Settlement Agreement, the Navajo Nation is providing its consent for certain rights-of-way: (1) a right-of-way granted to the United States for the iiná bá paa tuwaqat'si pipeline and any infrastructure reasonably necessary to operate said pipeline; (2) a right-of-way granted to the Hopi Tribe for the Side Rock-Moenkopi Groundwater Project; and (3) such other rights of way that are necessary to implement the terms of the settlement with respect to the groundwater projects of the Hopi Tribe and the San Juan Southern Paiute Tribe.
- B. In accordance with Paragraph 12.5 of the Settlement Agreement, the Navajo Nation has agreed that the rights-of-way referenced in subsection A above will be perpetual in duration and non-exclusive. The Navajo Nation deems the perpetual term of the rights-of-way reasonable given the rights-of-way purposes and the overall terms of the Settlement Agreement.
- C. The Navajo Nation has agreed that no compensation will be due from the grantees to the Navajo Nation for the rights-of-way described in Paragraph 12.5 of the Settlement Agreement.
- D. The Hopi Tribe and the San Juan Southern Paiute Tribe remain responsible for any surface damage to Navajo lands and resources as provided in Paragraph 12.5.1.2 of the Settlement Agreement.
- E. The Navajo Nation has agreed not to tax or assess, in any manner whatsoever, directly or indirectly, any rights, property, or activity associated with the rights-of-way or

- other legal devices, infrastructure, and other activities described in Paragraph 12.5 of the Settlement Agreement.
- F. The Navajo Nation is providing its consent for the rights-of-way contained in Paragraph 12.5 of the Settlement Agreement with the condition that the right-of-way grantee at issue will comply with the Nation's right-of-way application process developed by the Navajo Nation General Land Development Department, including terms and conditions modified to reflect Paragraph 12.5 of the Settlement Agreement and payment of associated administrative fees. The grantees shall submit all right-of-way documentation to the Navajo Nation Department of Justice and the Department of Justice shall coordinate with the Navajo General Land Development Department in the grantees' submission of these specific applications for rights-of-way.
- G. In order to effectuate the Navajo Nation's consent for the rights-of-way in accordance with the terms of Paragraph 12.5 of the Settlement Agreement, the Nation is requesting waivers of several sections of the Bureau of Indian Affairs right-of-way regulations found at 25 C.F.R. Part 169. Specifically, the Navajo Nation is requesting a waiver of the following sections of 25 C.F.R. Part 169: 169.103(f)(2), 169.105(c), 169.110(a), 169.120(b), and 169.125(c)(5)(iii):
 - 1. 169.103(f)(2): The Navajo Nation deems that, consistent with the terms set forth in Paragraph 12.5 of the Settlement Agreement, a waiver of any bond, insurance or alternative form of security is in the Navajo Nation's best interest.
 - 2. 169.105(c): The Navajo Nation believes waiving the due diligence requirements in 169.105 is in the best interest of the Navajo Nation.
 - 3. 169.110(a): The Navajo Nation has agreed to compensation in the Settlement Agreement that is satisfactory to the Navajo Nation, the Navajo Nation hereby waives valuation, and the Navajo Nation has determined that accepting such agreed-upon compensation and waiving valuation is in its best interest.
 - 4. 169.120(b): The Navajo Nation has determined that, consistent with the terms set forth in Paragraph 12.5 of the Settlement Agreement, waiver of the

 requirement that the right-of-way grantee be required to pay for all damages to the land for which the right-of-way is granted is in the best interest of the Navajo Nation.

5. 169.125(c)(5)(iii): The Navajo Nation has determined that, consistent with the terms set forth in Paragraph 12.5 of the Settlement Agreement, waiver of the requirement that the right-of-way grantee restore the land related to the right-of-way as nearly as may be possible to its original condition, to the extent compatible with the purpose for which the right-of-way was granted, or reclaim the land if agreed to by the Navajo Nation is in its best interest.

SECTION FOUR. SIDE AGREEMENT CONCERNING C-AQUIFER PUMPING

- A. The Settlement Agreement contains an ancillary agreement among the United States, the Hopi Tribe, the Navajo Nation, Bar T Bar, and the Arizona State Land Department concerning pumping from the Coconino Aquifer ("Side Agreement"). The Side Agreement which is titled "Certain Agreements among the United States, the Hopi Tribe, the Navajo Nation, Bar T Bar, and the Arizona State Land Department concerning Underground Water and Related Rights and Obligations in the Navajo Hopi C-Aquifer Pumping Restriction Area and Bar T Bar Ranch" is attached as **Exhibit P** (Exhibit 9.10 to the Settlement Agreement).
- B. In general, the Side Agreement limits the drilling of new non-exempt wells by various parties in specific areas. The Side Agreement also details the maximum amounts of groundwater that may be pumped by the various parties in specific areas.

SECTION FIVE. APPROVALS

- A. The Navajo Nation Council hereby approves the Settlement Agreement in the form of or substantially similar to the form of **Exhibit A** as attached.
- B. The Navajo Nation Council hereby approves a limited waiver of sovereign immunity on the terms set forth in **Exhibit Q** as attached for the limited and sole purpose of allowing the Navajo Nation to be joined as a party in actions concerning the interpretation or enforcement of (1) the Settlement Agreement; (2) the federal

- legislation that authorizes, ratifies, and confirms the Settlement Agreement; and (3) the LCR and Gila River Decrees.
- C. The Navajo Nation Council hereby consents to and approves (1) a right-of-way or other legal device granted to the United States for the iiná bá paa tuwaqat'si pipeline and any infrastructure reasonably necessary to operate, maintain, and replace said pipeline; (2) a right-of-way granted to the Hopi Tribe for the Side Rock-Moenkopi Groundwater Project, consistent with the terms as described in Section Three, and (3) such other rights-of-way that are necessary to implement the terms of the Settlement Agreement with respect to the groundwater projects of the Hopi Tribe and the San Juan Southern Paiute Tribe.
- D. The Navajo Nation Council hereby waives any consideration due from the grantees to the Nation for the rights-of-way described in Paragraph 12.5 of the Settlement Agreement.
- E. The Navajo Nation hereby waives any tax or assessment, in any manner whatsoever, directly or indirectly, any rights, property, or activity associated with the rights-of-way or other legal devices, infrastructure, and activities as described in Paragraph 12.5 of the Settlement Agreement.
- F. The Navajo Nation hereby requests a waiver of the following Bureau of Indian Affairs right-of-way regulations contained in 25 C.F.R. Part 169: 169.103(f)(2), 169.105(c), 169.110(a), 169.120(b), and 169.125(c)(5)(iii).
- G. If the Bureau of Indian Affairs requires the Navajo Nation to provide its consent for additional waivers of the requirements of 25 C.F.R. Part 169 in order to issue the rights-of-way agreed to by the Navajo Nation in Paragraph 12.5 of the Settlement Agreement, the Navajo Nation Attorney General shall be authorized to provide such written consent on behalf of the Navajo Nation.
- H. The Navajo Nation Council hereby approves the Side Agreement titled "Certain Agreements among the United States, the Hopi Tribe, the Navajo Nation, Bar T Bar, and the Arizona State Land Department concerning Underground Water and Related Rights and Obligations in the Navajo Hopi C-Aquifer Pumping Restriction Area and

Bar T Bar Ranch" in the form or substantially similar to the form attached as **Exhibit P** (Exhibit 9.10 to the Settlement Agreement).

- I. The Navajo Nation Council hereby authorizes the President of the Navajo Nation and the Attorney General of the Navajo Nation to execute the Settlement Agreement in the form of or substantially similar to the form of **Exhibit A** as attached and any and all other documents necessary or appropriate to effectuate the intent and purpose of this resolution.
- J. With this approval, the Navajo Nation binds all bands of Navajo People and chapters of the Navajo Nation, including all entities, agencies, divisions, departments, and programs thereof, to the terms of the Settlement Agreement.

SECTION SIX. PROCEDURES FOR APPROVING CHANGES IN THE SETTLEMENT AGREEMENT

In the event changes are made to the Settlement Agreement and/or associated exhibits thereto during the congressional process such that the form of the Settlement Agreement and/or associated exhibits are not substantially similar to **Exhibit A** as attached, the Navajo Nation Council delegates to the Negotiation Team the authority to make necessary technical and conforming changes to the Settlement Agreement, and authorizes the President of the Navajo Nation and the Attorney General of the Navajo Nation to execute the same.