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118TH CONGRESS
2D SESSION

S. 4998

[Report No. 118–263]

To approve the settlement of water rights claims of the Navajo Nation in the Rio San José Stream System in the State of New Mexico, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 9, 2024

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

DECEMBER 4, 2024

Reported by Mr. SCHATZ, without amendment

A BILL

To approve the settlement of water rights claims of the Navajo Nation in the Rio San José Stream System in the State of New Mexico, 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Navajo Nation Rio San José Stream System Water
4 Rights Settlement Act of 2024”.

5 (b) TABLE OF CONTENTS.—The table of contents for
6 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Purposes.
Sec. 3. Definitions.
Sec. 4. Ratification of Agreement.
Sec. 5. Navajo Nation’s Water Rights.
Sec. 6. Navajo Nation Rio San José Settlement Trust Fund.
Sec. 7. Funding.
Sec. 8. Enforceability Date.
Sec. 9. Waivers and releases of claims.
Sec. 10. Satisfaction of claims.
Sec. 11. Consent of United States to jurisdiction for judicial review of a Navajo
Nation Water Use Permit decision.
Sec. 12. Miscellaneous provisions.
Sec. 13. Relation to Allottees.
Sec. 14. Expansion of Navajo-Gallup Water Supply Project service area.
Sec. 15. Antideficiency.

7 **SEC. 2. PURPOSES.**

8 The purposes of this Act are—

9 (1) to achieve a fair, equitable, and final settle-
10 ment of all claims to water rights in the general
11 stream adjudication of the Rio San José Stream
12 System captioned “State of New Mexico, ex rel.
13 State Engineer v. Kerr-McGee, et al.”, No. D-1333-
14 CV-1983-00190 and No. D-1333-CV-1983-00220
15 (consolidated), pending in the Thirteenth Judicial
16 District Court for the State of New Mexico, for—
17 (A) the Navajo Nation; and

(B) the United States, acting as trustee
for the Navajo Nation;

8 (3) to authorize and direct the Secretary—

(A) to execute the Agreement; and

15 SEC. 3. DEFINITIONS.

16 In this Act:

17 (1) ACEQUIA.—The term “Acequia” means
18 each of the Bluewater Toltec Irrigation District, La
19 Acequia Madre del Ojo del Gallo, Moquino Water
20 Users Association II, Murray Acres Irrigation Asso-
21 ciation, San Mateo Irrigation Association, Seboyeta
22 Community Irrigation Association, Cubero Acequia
23 Association, Cebolletita Acequia Association, and
24 Community Ditch of Rio San José de la Cienega.

1 (2) ADJUDICATION.—The term “Adjudication”
2 means the general adjudication of water rights enti-
3 tled “State of New Mexico, ex rel. State Engineer v.
4 Kerr-McGee, et al.”, No. D-1333-CV-1983-00190
5 and No. D-1333-CV-1983-00220 (consolidated)
6 pending, as of the date of enactment of this Act, in
7 the Decree Court.

8 (3) AGREEMENT.—The term “Agreement”
9 means—

10 (A) the addendum dated June 11, 2024,
11 to, and as provided in Article 17 of, the docu-
12 ment entitled “Rio San José Stream System
13 Water Rights Local Settlement Agreement
14 Among the Pueblo of Acoma, the Pueblo of La-
15 guna, the Navajo Nation, the State of New
16 Mexico, the City of Grants, the Village of
17 Milan, the Association of Community Ditches of
18 the Rio San José and Nine Individual Acequias
19 and Community Ditches” and dated May 13,
20 2022, and the attachments thereto and to the
21 addendum; and

22 (B) any amendment to the documents re-
23 ferred to in subparagraph (A) (including an
24 amendment to an attachment) that is executed

1 to ensure that the Agreement is consistent with
2 this Act.

3 (4) ALLOTMENT.—The term “Allotment”
4 means a parcel of land that is—

5 (A) located within—

6 (i) the Rio Puerco Basin; or
7 (ii) the Rio San José Stream System;

8 and

9 (B) held in trust by the United States for
10 the benefit of—

11 (i) 1 or more individual Indians; or

12 (ii) an Indian Tribe holding an undi-
13 vided fractional beneficial interest.

14 (5) ALLOTTEE.—The term “Allottee” means—

15 (A) an individual Indian holding a bene-
16 ficial interest in an Allotment; or

17 (B) an Indian Tribe holding an undivided
18 fractional beneficial interest in an Allotment.

19 (6) DECREE COURT.—The term “Decree
20 Court” means the Thirteenth Judicial District Court
21 of the State of New Mexico.

22 (7) ENFORCEABILITY DATE.—The term “En-
23 forceability Date” means the date described in sec-
24 tion 8.

25 (8) NAVAJO NATION; NAVAJO; NATION.—

16 (9) NAVAJO NATION LANDS; NAVAJO LANDS.—

20 (i) in the Rio San José Stream Sys-
tem that is held by the United States in
21 trust for the Navajo Nation, or owned by
22 the Navajo Nation, as of the Enforceability
23 Date; or

(12) NAVAJO NATION'S WATER RIGHTS.—

(A) IN GENERAL.—The term “Navajo Nation’s Water Rights” means—

4 (i) the water rights of the Navajo Na-
5 tion in the Rio San José Stream System—

6 (I) as identified in the Agreement
7 and section 5; and

14 (B) EXCLUSIONS.—The term “Navajo Na-
15 tion’s Water Rights” does not include—

(ii) any undivided interest that the Nation may have in an Allotment that is determined by the Secretary to be patented pursuant to an authority other than section 1 of the Act of February 8, 1887 (commonly known as the “Indian General Allotment Act”) (24 Stat. 388, chapter 119; 25 U.S.C. 331) (as in effect on the day before the date of enactment of the Indian Land Consolidation Act Amendments of 2000 (Public Law 106-462; 114 Stat. 1991)).

(B) from which no further appeal may be taken.

(15) RIO PUERCO BASIN.—The term “Rio Puerco Basin” means the area defined by the United States Geological Survey Hydrologic Unit Codes (HUC) 13020204 (Rio Puerco subbasin) and 13020205 (Arroyo Chico subbasin), including the hydrologically connected groundwater.

(17) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

1 ments, and political subdivisions of the State of New
2 Mexico.

3 **SEC. 4. RATIFICATION OF AGREEMENT.**

4 (a) **RATIFICATION.**—

5 (1) **IN GENERAL.**—Except as modified by this
6 Act, and to the extent that the Agreement does not
7 conflict with this Act, the Agreement is authorized,
8 ratified, and confirmed.

9 (2) **AMENDMENTS.**—If an amendment to the
10 Agreement, or to any attachment to the Agreement
11 requiring the signature of the Secretary, is executed
12 in accordance with this Act to make the Agreement
13 consistent with this Act, the amendment is author-
14 ized, ratified, and confirmed.

15 (b) **EXECUTION.**—

16 (1) **IN GENERAL.**—To the extent that the
17 Agreement does not conflict with this Act, the Sec-
18 retary shall execute the Agreement, including all at-
19 tachments to, or parts of, the Agreement requiring
20 the signature of the Secretary.

21 (2) **MODIFICATIONS.**—Nothing in this Act pro-
22 hibits the Secretary, after execution of the Agree-
23 ment, from approving any modification to the Agree-
24 ment, including an attachment to the Agreement,
25 that is consistent with this Act, to the extent that

1 the modification does not otherwise require congres-
2 sional approval under section 2116 of the Revised
3 Statutes (25 U.S.C. 177) or any other applicable
4 provision of Federal law.

5 (c) ENVIRONMENTAL COMPLIANCE.—

6 (1) IN GENERAL.—In implementing the Agree-
7 ment and this Act, the Secretary shall comply
8 with—

9 (A) the Endangered Species Act of 1973
10 (16 U.S.C. 1531 et seq.);

11 (B) the National Environmental Policy Act
12 of 1969 (42 U.S.C. 4321 et seq.), including the
13 implementing regulations of that Act; and

14 (C) all other applicable Federal environ-
15 mental laws and regulations.

16 (2) COMPLIANCE.—

17 (A) IN GENERAL.—In implementing the
18 Agreement and this Act, the Navajo Nation
19 shall prepare any necessary environmental doc-
20 uments, consistent with—

21 (i) the Endangered Species Act of
22 1973 (16 U.S.C. 1531 et seq.);

23 (ii) the National Environmental Policy
24 Act of 1969 (42 U.S.C. 4321 et seq.), in-

1 cluding the implementing regulations of
2 that Act; and

3 (iii) all other applicable Federal envi-
4 ronmental laws and regulations.

5 (B) AUTHORIZATIONS.—The Secretary
6 shall—

7 (i) independently evaluate the docu-
8 mentation required under subparagraph
9 (A); and

10 (ii) be responsible for the accuracy,
11 scope, and contents of that documentation.

12 (3) EFFECT OF EXECUTION.—The execution of
13 the Agreement by the Secretary under this section
14 shall not constitute a major Federal action under
15 the National Environmental Policy Act of 1969 (42
16 U.S.C. 4321 et seq.).

17 (4) COSTS.—Any costs associated with the per-
18 formance of the compliance activities under this sub-
19 section shall be paid from funds deposited in the
20 Navajo Trust Fund or other sources of funding from
21 the Navajo Nation, subject to the condition that any
22 costs associated with the performance of Federal ap-
23 proval or other review of such compliance work or
24 costs associated with inherently Federal functions
25 shall remain the responsibility of the Secretary.

1 **SEC. 5. NAVAJO NATION'S WATER RIGHTS.**

2 (a) TRUST STATUS OF NAVAJO NATION'S WATER
3 RIGHTS.—The Navajo Nation's Water Rights shall be
4 held in trust by the United States on behalf of the Nation
5 in accordance with the Agreement and this Act.

6 (b) FORFEITURE AND ABANDONMENT.—

7 (1) IN GENERAL.—The Navajo Nation's Water
8 Rights shall not be subject to loss through non-use,
9 forfeiture, abandonment, or other operation of law.

10 (2) STATE-LAW BASED WATER RIGHTS.—State-
11 law based water rights acquired by the Navajo Na-
12 tion, or by the United States on behalf of the Na-
13 tion, after the date for inclusion in the Navajo Par-
14 tial Final Judgment and Decree, shall not be subject
15 to forfeiture, abandonment, or permanent alienation
16 from the time they are acquired.

17 (c) USE.—Any use of the Navajo Nation's Water
18 Rights shall be subject to the terms and conditions of the
19 Agreement and this Act.

20 (d) ALLOTMENT RIGHTS NOT INCLUDED.—Con-
21 sistent with section 13, the Navajo Nation's Water Rights
22 shall not include any water rights for an Allotment, sub-
23 ject to the condition that the Navajo Nation may allow
24 use of the Navajo Nation's Water Rights on an Allotment
25 subject to the terms and conditions of the Agreement and
26 this Act.

1 (e) ALLOTTEES NOT ADVERSELY AFFECTED.—

2 Nothing in this Act quantifies or diminishes any water
3 right, or any claim or entitlement to water, of an Allottee.4 (f) ALLOTTEE WATER RIGHTS.—The Nation shall
5 not object in any general stream adjudication, including
6 the Adjudication, to the quantification of reasonable do-
7 mestic, stock, and irrigation water uses on an Allotment,
8 and shall administer any water use in accordance with ap-
9 plicable Federal law, including recognition of—10 (1) any water use existing on an Allotment as
11 of the date of enactment of this Act;12 (2) reasonable domestic, stock, and irrigation
13 water uses on an Allotment; and14 (3) any water right decreed to the United
15 States in trust for an Allottee in a general stream
16 adjudication, including the Adjudication, for use on
17 an Allotment.

18 (g) AUTHORITY OF THE NAVAJO NATION.—

19 (1) USE ON NAVAJO LANDS.—The Navajo Na-
20 tion shall have the authority to allocate, distribute,
21 and lease the Navajo Nation's Water Rights for use
22 on Navajo Lands in accordance with the Agreement,
23 this Act, and applicable Federal law, including the
24 first section of the Act of August 9, 1955 (69 Stat.

1 539, chapter 615; 25 U.S.C. 415) (commonly known
2 as the “Long-Term Leasing Act”).

3 (2) USE OFF NAVAJO LANDS.—

4 (A) IN GENERAL.—The Navajo Nation
5 may allocate, distribute, and lease the Navajo
6 Nation’s Water Rights for use off Navajo
7 Lands in accordance with the Agreement, this
8 Act, and applicable Federal law, subject to the
9 approval of the Secretary.

10 (B) MAXIMUM TERM.—The maximum
11 term of any lease, including all renewals, under
12 this paragraph shall not exceed 99 years.

13 (h) ADMINISTRATION.—

14 (1) NO ALIENATION.—The Navajo Nation shall
15 not permanently alienate any portion of the Navajo
16 Nation’s Water Rights.

17 (2) PURCHASES OR GRANTS OF LAND FROM IN-
18 DIANS.—An authorization provided by this Act for
19 the allocation, distribution, leasing, or other ar-
20 rangement entered into pursuant to this Act shall be
21 considered to satisfy any requirement for authoriza-
22 tion of the action required by Federal law.

23 (3) PROHIBITION ON FORFEITURE.—The non-
24 use of all or any portion of the Navajo Nation’s
25 Water Rights by any water user shall not result in

1 the forfeiture, abandonment, relinquishment, or
2 other loss of all or any portion of the Navajo Na-
3 tion's Water Rights.

(A) shall be considered non-use for purposes of paragraph (3); and

(B) shall not result in the forfeiture, abandonment, relinquishment, or other loss of any portion of the Navajo Nation's Water Rights.

13 SEC. 6. NAVAJO NATION RIO SAN JOSÉ SETTLEMENT
14 TRUST FUND.

(a) ESTABLISHMENT.—The Secretary shall establish a trust fund, to be known as the “Navajo Nation Rio San José Water Rights Settlement Trust Fund”, to be managed, invested, and distributed by the Secretary and to remain available until expended, withdrawn, or reverted to the general fund of the Treasury, consisting of the amounts deposited in the Navajo Trust Fund under subsection (c), together with any investment earnings, including interest, earned on those amounts, for the purpose of carrying out this Act.

1 (b) ACCOUNTS.—The Secretary shall establish in the
2 Navajo Trust Fund the following accounts:

3 (1) The Navajo Nation Water Rights Settlement
4 Account.

5 (2) The Navajo Nation Operations and Maintenance
6 Account.

7 (c) DEPOSITS.—The Secretary shall deposit in the
8 Navajo Trust Fund the amounts made available pursuant
9 to section 7(a).

10 (d) MANAGEMENT AND INTEREST.—

11 (1) MANAGEMENT.—On receipt and deposit of
12 funds into the Navajo Trust Fund under subsection
13 (c), the Secretary shall manage, invest, and distribute
14 all amounts in the Navajo Trust Fund in a
15 manner that is consistent with the investment authority
16 of the Secretary under—

17 (A) the first section of the Act of June 24,
18 1938 (25 U.S.C. 162a);

19 (B) the American Indian Trust Fund Management Reform Act of 1994 (25 U.S.C. 4001 et seq.); and

22 (C) this subsection.

23 (2) INVESTMENT EARNINGS.—In addition to
24 the deposits made to the Navajo Trust Fund under
25 subsection (c), any investment earnings, including

1 interest, earned on those amounts held in the Nav-
2 ajo Trust Fund are authorized to be used in accord-
3 ance with subsections (f) and (h).

4 (e) AVAILABILITY OF AMOUNTS.—

5 (1) IN GENERAL.—Amounts appropriated to,
6 and deposited in, the Navajo Trust Fund, including
7 any investment earnings, including interest, earned
8 on those amounts, shall be made available to the Na-
9 tion by the Secretary beginning on the Enforce-
10 ability Date, subject to the requirements of this sec-
11 tion, except for funds to be made available to the
12 Nation pursuant to paragraph (2).

13 (2) USE OF FUNDS.—Notwithstanding para-
14 graph (1), up to \$15,000,000 of the amounts depos-
15 ited in the Navajo Nation Water Rights Settlement
16 Account, including any investment earnings, includ-
17 ing interest, earned on those amounts, shall be avail-
18 able to the Nation on the date on which the amounts
19 are deposited in the Navajo Nation Water Rights
20 Settlement Account for the following uses:

21 (A) Feasibility studies, planning, engineer-
22 ing, design, and related environmental, cultural,
23 and historical compliance, and obtaining rights-
24 of-way or permits for water supply infrastruc-

1 ture to serve Navajo Nation needs consistent
2 with subsection (h)(1)(B).

3 (B) Installing, on Navajo Lands, ground-
4 water wells and associated infrastructure to
5 meet immediate domestic, commercial, municip-
6 al and industrial water needs, and associated
7 environmental, cultural, and historical compli-
8 ance.

9 (f) WITHDRAWALS.—

10 (1) WITHDRAWALS UNDER THE AMERICAN IN-
11 DIAN TRUST FUND MANAGEMENT REFORM ACT OF
12 1994.—

13 (A) IN GENERAL.—The Navajo Nation
14 may withdraw any portion of the amounts in
15 the Navajo Trust Fund on approval by the Sec-
16 retary of a Tribal management plan submitted
17 by the Nation in accordance with the American
18 Indian Trust Fund Management Reform Act of
19 1994 (25 U.S.C. 4001 et seq.).

20 (B) REQUIREMENTS.—In addition to the
21 requirements under the American Indian Trust
22 Fund Management Reform Act of 1994 (25
23 U.S.C. 4001 et seq.), the Tribal management
24 plan under this paragraph shall require that the
25 Nation shall spend all amounts withdrawn from

1 the Navajo Trust Fund, and any investment
2 earnings, including interest, earned on those
3 amounts, through the investments under the
4 Tribal management plan, in accordance with
5 this Act.

6 (C) ENFORCEMENT.—The Secretary may
7 carry out such judicial and administrative ac-
8 tions as the Secretary determines to be nec-
9 essary to enforce the Tribal management plan
10 under this paragraph to ensure that amounts
11 withdrawn by the Nation from the Navajo
12 Trust Fund under subparagraph (A) are used
13 in accordance with this Act.

14 (2) WITHDRAWALS UNDER EXPENDITURE
15 PLAN.—

16 (A) IN GENERAL.—The Navajo Nation
17 may submit to the Secretary a request to with-
18 draw funds from the Navajo Trust Fund pursu-
19 ant to an approved expenditure plan.

20 (B) REQUIREMENTS.—To be eligible to
21 withdraw amounts under an expenditure plan
22 under subparagraph (A), the Nation shall sub-
23 mit to the Secretary an expenditure plan for
24 any portion of the Navajo Trust Fund that the
25 Nation elects to withdraw pursuant to that sub-

1 paragraph, subject to the condition that the
2 amounts shall be used for the purposes de-
3 scribed in this Act.

4 (C) INCLUSIONS.—An expenditure plan
5 under this paragraph shall include a description
6 of the manner and purpose for which the
7 amounts proposed to be withdrawn from the
8 Navajo Trust Fund will be used by the Nation,
9 in accordance with this subsection and sub-
10 section (h).

11 (D) APPROVAL.—The Secretary shall ap-
12 prove an expenditure plan submitted under sub-
13 paragraph (A) if the Secretary determines that
14 the plan—

15 (i) is reasonable; and
16 (ii) is consistent with, and will be used
17 for, the purposes of this Act.

18 (E) ENFORCEMENT.—The Secretary may
19 carry out such judicial and administrative ac-
20 tions as the Secretary determines to be nec-
21 essary to enforce an expenditure plan to ensure
22 that amounts disbursed under this paragraph
23 are used in accordance with this Act.

24 (g) EFFECT OF SECTION.—Nothing in this section
25 gives the Navajo Nation the right to judicial review of a

1 determination of the Secretary relating to whether to ap-
2 prove a Tribal management plan under paragraph (1) of
3 subsection (f) or an expenditure plan under paragraph (2)
4 of that subsection except under subchapter II of chapter
5 5, and chapter 7, of title 5, United States Code (commonly
6 known as the “Administrative Procedure Act”).

7 (h) USES.—

8 (1) NAVAJO NATION WATER RIGHTS SETTLE-
9 MENT ACCOUNT.—The Navajo Nation Water Rights
10 Settlement Account may only be used for the fol-
11 lowing purposes:

12 (A) Acquiring water rights or water sup-
13 ply.

14 (B) Planning, permitting, designing, engi-
15 neering, constructing, reconstructing, replacing,
16 rehabilitating, operating, or repairing water
17 production, treatment, or delivery infrastruc-
18 ture, including for domestic and municipal use,
19 on-farm improvements, or wastewater infra-
20 structure.

21 (C) Navajo Nation’s Water Rights man-
22 agement and administration.

23 (D) Watershed protection and enhance-
24 ment, support of agriculture, water-related Nav-
25 ajo community welfare and economic develop-

1 ment, and costs relating to implementation of
2 the Agreement.

3 (E) Environmental compliance in the de-
4 velopment and construction of infrastructure
5 under this Act.

6 (2) NAVAJO NATION OPERATIONS AND MAINTE-
7 NANCE ACCOUNT.—The Navajo Nation Water Infra-
8 structure Operations and Maintenance Account may
9 only be used to pay costs for operation, mainte-
10 nance, and replacement of water infrastructure to
11 serve Navajo domestic, commercial, municipal, and
12 industrial water uses from any water source.

13 (i) LIABILITY.—The Secretary and the Secretary of
14 the Treasury shall not be liable for the expenditure or in-
15 vestment of any amounts withdrawn from the Navajo
16 Trust Fund by the Nation under paragraph (1) or (2) of
17 subsection (f).

18 (j) EXPENDITURE REPORTS.—The Navajo Nation
19 shall annually submit to the Secretary an expenditure re-
20 port describing accomplishments and amounts spent from
21 use of withdrawals under a Tribal management plan or
22 an expenditure plan under paragraph (1) or (2) of sub-
23 section (f), as applicable.

1 (k) NO PER CAPITA DISTRIBUTIONS.—No portion of
2 the Navajo Trust Fund shall be distributed on a per capita
3 basis to any member of Navajo Nation.

4 (l) TITLE TO INFRASTRUCTURE.—Title to, control
5 over, and operation of any project constructed using funds
6 from the Navajo Trust Fund shall remain in the Navajo
7 Nation.

8 (m) OPERATION, MAINTENANCE, AND REPLACE-
9 MENT.—All operation, maintenance, and replacement
10 costs of any project constructed using funds from the Nav-
11 ajo Trust Fund shall be the responsibility of the Nation.

12 **SEC. 7. FUNDING.**

13 (a) MANDATORY APPROPRIATIONS.—Out of any
14 money in the Treasury not otherwise appropriated, the
15 Secretary of the Treasury shall transfer to the Secretary
16 the following amounts for deposit in the following ac-
17 counts:

18 (1) THE NAVAJO NATION WATER RIGHTS SET-
19 TLEMENT ACCOUNT.—For deposit in the Navajo Na-
20 tion Water Rights Settlement Account established
21 under section 6(b)(1), \$200,271,000, to remain
22 available until expended, withdrawn, or reverted to
23 the general fund of the Treasury.

24 (2) THE NAVAJO NATION OPERATIONS AND
25 MAINTENANCE ACCOUNT.—For deposit in the Nav-

1 ajo Nation Operations and Maintenance Account es-
2 tablished under section 6(b)(2), \$23,000,000, to re-
3 main available until expended, withdrawn, or re-
4 verted to the general fund of the Treasury.

5 (b) FLUCTUATION IN COSTS.—

6 (1) IN GENERAL.—The amounts appropriated
7 under subsection (a) shall be increased or decreased,
8 as appropriate, by such amounts as may be justified
9 by reason of ordinary fluctuations in costs, as indi-
10 cated by the Bureau of Reclamation Construction
11 Cost Index—Composite Trend.

12 (2) CONSTRUCTION COSTS ADJUSTMENT.—The
13 amounts appropriated under subsection (a) shall be
14 adjusted to address construction cost changes nec-
15 essary to account for unforeseen market volatility
16 that may not otherwise be captured by construction
17 cost indices, as determined by the Secretary, includ-
18 ing repricing applicable to the types of construction
19 and current industry standards involved.

20 (3) REPETITION.—The adjustment process
21 under this subsection shall be repeated for each sub-
22 sequent amount appropriated until the applicable
23 amount, as adjusted, has been appropriated.

24 (4) PERIOD OF INDEXING.—The period of in-
25 dexing adjustment under this subsection for any in-

1 rement of funding shall start on October 1, 2021,
2 and end on the date on which funds are deposited
3 in the Navajo Trust Fund.

4 (c) STATE COST-SHARE.—Pursuant to the Agree-
5 ment, the State shall contribute—

6 (1) \$3,000,000, as adjusted for inflation pursu-
7 ant to the Agreement, to the Bluewater Toltec Irriga-
8 tion District and Acequia Madre del Ojo del Gallo
9 for purposes described in the Agreement; and

10 (2) if applicable, additional funding subject to
11 the provisions of Article 17.12.4 of the Agreement.

12 **SEC. 8. ENFORCEABILITY DATE.**

13 The Enforceability Date shall be the date on which
14 the Secretary publishes in the Federal Register a state-
15 ment of findings that—

16 (1) to the extent that the Agreement conflicts
17 with this Act, the Agreement has been amended to
18 conform with this Act;

19 (2) the Agreement, as amended, has been exe-
20 cuted by all parties to the Agreement, including the
21 United States;

22 (3) all of the amounts appropriated under sec-
23 tion 7(a) have been appropriated and deposited in
24 the designated accounts of the Navajo Trust Fund;

25 (4) the State has—

1 (A) provided \$3,000,000 of funding under
2 section 7(c)(1) into the appropriate funding ac-
3 counts or entered into a funding agreement
4 with the intended beneficiaries for that funding;
5 and

6 (B) enacted legislation to amend State law
7 to provide that a Navajo Nation Water Right
8 may be leased for a term not to exceed 99
9 years, including renewals;

10 (5) the Decree Court has approved the Agree-
11 ment and has entered the Navajo Partial Final
12 Judgment and Decree; and

13 (6) the waivers and releases under section 9
14 have been executed by the Navajo Nation and the
15 Secretary.

16 SEC. 9. WAIVERS AND RELEASES OF CLAIMS.

17 (a) WAIVERS AND RELEASES OF CLAIMS BY THE
18 NAVAJO NATION AND UNITED STATES AS TRUSTEE FOR
19 THE NATION.—Subject to the reservation of rights and
20 retention of claims under subsection (d), as consideration
21 for recognition of the Navajo Nation's Water Rights and
22 other benefits described in the Agreement and this Act,
23 the Navajo Nation, on behalf of the Nation and members
24 of the Nation (other than members in their capacity as
25 Allottees), and the United States, acting as trustee for the

1 Nation and members of the Nation (other than members
2 in their capacity as Allottees), shall execute a waiver and
3 release of all claims for—

4 (1) water rights within the Rio San José
5 Stream System that the Navajo Nation or the
6 United States acting as trustee for the Nation, as-
7 sserted or could have asserted in any proceeding, in-
8 cluding the Adjudication, on or before the Enforce-
9 ability Date, except to the extent that such rights
10 are recognized in the Agreement and this Act; and

11 (2) damages, losses, or injuries to water rights
12 or claims of interference with, diversion of, or taking
13 of water rights (including claims for injury to land
14 resulting from such damages, losses, injuries, inter-
15 ference with, diversion, or taking of water rights) in
16 the waters in the Rio San José Stream System
17 against any party to the Agreement, including the
18 members and parciales of Signatory Acequias, that
19 accrued at any time up to and including the En-
20 forceability Date.

21 (b) WAIVERS AND RELEASES OF CLAIMS BY NAVAJO
22 NATION AGAINST UNITED STATES.—Subject to the res-
23 ervation of rights and retention of claims under subsection
24 (d), the Navajo Nation, on behalf of the Nation (including
25 in its capacity as an Allottee) and members of the Nation

1 (other than members in their capacity as Allottees) shall
2 execute a waiver and release of all claims against the
3 United States (including any agency or employee of the
4 United States) first arising before the Enforceability Date
5 relating to—

6 (1) water rights within the Rio San José
7 Stream System that the United States, acting as
8 trustee for the Navajo Nation, asserted or could
9 have asserted in any proceeding, including the Adju-
10 dication, except to the extent that such rights are
11 recognized as part of the Navajo Nation's Water
12 Rights under this Act;

13 (2) foregone benefits from non-Navajo use of
14 water, on and off Navajo Lands, including water
15 from all sources and for all uses, within the Rio San
16 José Stream System;

17 (3) damage, loss, or injury to water, water
18 rights, land, or natural resources due to loss of
19 water or water rights, including damages, losses, or
20 injuries to hunting, fishing, gathering, or cultural
21 rights due to loss of water or water rights, claims
22 relating to interference with, diversion of, or taking
23 of water, or claims relating to a failure to protect,
24 acquire, replace, or develop water, water rights, or

1 water infrastructure, within the Rio San José
2 Stream System;

3 (4) a failure to provide for operation, mainte-
4 nance, or deferred maintenance for any irrigation
5 system or irrigation project within the Rio San José
6 Stream System;

7 (5) a failure to establish or provide a municipal,
8 rural, or industrial water delivery system on Navajo
9 Lands within the Rio San José Stream System;

10 (6) damage, loss, or injury to water, water
11 rights, land, or natural resources due to construc-
12 tion, operation, and management of irrigation
13 projects on Navajo Lands, including damages,
14 losses, or injuries to fish habitat, wildlife, and wild-
15 life habitat, within the Rio San José Stream System;

16 (7) a failure to provide a dam safety improve-
17 ment to a dam on Navajo Lands within the Rio San
18 José Stream System;

19 (8) the litigation of claims relating to any water
20 right of the Nation within the Rio San José Stream
21 System; and

22 (9) the negotiation, execution, or adoption of
23 the Agreement, including attachments, and this Act.

1 (c) EFFECTIVE DATE.—The waivers and releases de-
2 scribed in subsections (a) and (b) shall take effect on the
3 Enforceability Date.

4 (d) RESERVATION OF RIGHTS AND RETENTION OF
5 CLAIMS.—Notwithstanding the waivers and releases under
6 subsections (a) and (b), the Navajo Nation and the United
7 States, acting as trustee for the Nation, shall retain all
8 claims relating to—

9 (1) the enforcement of, or claims accruing after
10 the Enforceability Date relating to water rights rec-
11 ognized under the Agreement, this Act, or the Nav-
12 ajo Partial Final Judgment and Decree entered in
13 the Adjudication;

14 (2) activities affecting the quality of water and
15 the environment, including claims under—

16 (A) the Comprehensive Environmental Re-
17 sponse, Compensation, and Liability Act of
18 1980 (42 U.S.C. 9601 et seq.), including claims
19 for damages to natural resources;

20 (B) the Safe Drinking Water Act (42
21 U.S.C. 300f et seq.);

22 (C) the Federal Water Pollution Control
23 Act (33 U.S.C. 1251 et seq.) (commonly re-
24 ferred to as the “Clean Water Act”); and

(D) any regulations implementing the Acts described in subparagraphs (A) through (C);

(3) the right to use and protect water rights acquired after the date of enactment of this Act;

9 (5) all claims for water rights, and claims for
10 injury to water rights, in basins other than the Rio
11 San José Stream System, subject to the Agreement
12 with respect to the claims of the Navajo Nation for
13 water rights in the Rio Puerco Basin; and

14 (6) all rights, remedies, privileges, immunities,
15 powers, and claims not specifically waived and re-
16 leased pursuant to this Act or the Agreement.

17 (e) EFFECT OF AGREEMENT AND ACT.—Nothing in
18 the Agreement or this Act—

(A) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.);

(B) the Safe Drinking Water Act (42 U.S.C. 300f et seq.);

(C) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) (commonly referred to as the “Clean Water Act”);

(E) any regulations implementing the Acts described in subparagraphs (A) through (D);

(4) confers jurisdiction on any State court—

1 (5) waives any claim of a member of the Navajo
2 Nation in an individual capacity that does not derive
3 from a right of the Navajo Nation.

4 (f) OFFSET RELATING TO RIO PUERCO.—The
5 United States shall be entitled to offset \$20,000,000
6 against—

7 (1) any judgment against the United States for
8 claims relating to water rights in the Rio Puerco
9 Basin, including breach of trust and damage claims
10 relating to water rights in the Rio Puerco Basin, in
11 a case brought by the Nation or any user of the
12 Navajo Nation's Water Rights; or

13 (2) a Federal contribution to any future settle-
14 ment of water rights of the Navajo Nation in the
15 Rio Puerco Basin.

16 (g) TOLLING OF CLAIMS.—

17 (1) IN GENERAL.—Each applicable period of
18 limitation and time-based equitable defense relating
19 to a claim described in this section shall be tolled for
20 the period beginning on the date of enactment of
21 this Act and ending on the Enforceability Date.

22 (2) EFFECT OF SUBSECTION.—Nothing in this
23 subsection revives any claim or tolls any period of
24 limitation or time-based equitable defense that ex-
25 pired before the date of enactment of this Act.

1 (3) LIMITATION.—Nothing in this section pre-
2 cludes the tolling of any period of limitation or any
3 time-based equitable defense under any other appli-
4 cable law.

5 (h) EXPIRATION.—

6 (1) IN GENERAL.—This Act shall expire in any
7 case in which the Secretary fails to publish a state-
8 ment of findings under section 8 by not later than—

9 (A) July 1, 2030; or

10 (B) such alternative later date as is agreed
11 to by the Navajo Nation and the Secretary,
12 after providing reasonable notice to the State.

13 (2) CONSEQUENCES.—If this Act expires under
14 paragraph (1)—

15 (A) the waivers and releases under sub-
16 sections (a) and (b) shall—

17 (i) expire; and

18 (ii) have no further force or effect;

19 (B) the authorization, ratification, con-
20 firmation, and execution of the Agreement
21 under section 4 shall no longer be effective;

22 (C) any action carried out by the Sec-
23 retary, and any contract or agreement entered
24 into, pursuant to this Act shall be void;

1 (D) any unexpended Federal funds appro-
2 priated or made available to carry out the ac-
3 tivities authorized by this Act, together with
4 any interest earned on those funds, and any
5 water rights or contracts to use water and title
6 to other property acquired or constructed with
7 Federal funds appropriated or made available
8 to carry out the activities authorized by this
9 Act, shall be returned to the Federal Govern-
10 ment, unless otherwise agreed to by Navajo Na-
11 tion and the United States and approved by
12 Congress; and

13 (E) except for Federal funds used to ac-
14 quire or construct property that is returned to
15 the Federal Government under subparagraph
16 (D), the United States shall be entitled to offset
17 any Federal funds made available to carry out
18 this Act that were expended or withdrawn, or
19 any funds made available to carry out this Act
20 from other Federal authorized sources, together
21 with any interest accrued on those funds,
22 against any claims against the United States—
23 (i) relating to water rights in the
24 State asserted by—

7 SEC. 10. SATISFACTION OF CLAIMS.

8 The benefits provided under this Act shall be in com-
9 plete replacement of, complete substitution for, and full
10 satisfaction of any claim of the Navajo Nation against the
11 United States that are waived and released by the Nation
12 pursuant to section 9(b).

13 SEC. 11. CONSENT OF UNITED STATES TO JURISDICTION
14 FOR JUDICIAL REVIEW OF A NAVAJO NATION
15 WATER USE PERMIT DECISION.

16 (a) CONSENT.—On the Enforceability Date, the con-
17 sent of the United States is hereby given, with the consent
18 of the Navajo Nation under Article 17.14.4 of the Agree-
19 ment, to jurisdiction in the District Court for the Thir-
20 teenth Judicial District of the State of New Mexico, and
21 in the New Mexico Court of Appeals and the New Mexico
22 Supreme Court on appeal therefrom in the same manner
23 as provided under New Mexico law, over an action filed
24 in such District Court by any party to a Navajo Nation
25 Water Use Permit administrative proceeding under Article

1 17.10.4 of the Agreement for the limited and sole purpose
2 of judicial review of a Navajo Nation Water Use Permit
3 decision under article 17.10.5 of the Agreement.

4 (b) LIMITATION.—The consent of the United States
5 for review of a Navajo Nation Water Use Permit is limited
6 to judicial review, based on the record developed through
7 the administrative process of the Navajo Nation, under a
8 standard of judicial review limited to determining whether
9 the Navajo Nation decision on the application for the Nav-
10 ajo Nation Water Use Permit—

11 (1) is supported by substantial evidence;
12 (2) is not arbitrary, capricious, or contrary to
13 law;
14 (3) is not in accordance with the Agreement or
15 the Navajo Partial Final Judgment and Decree; or
16 (4) shows that the Navajo Nation acted fraudu-
17 lently or outside the scope of its authority.

18 (c) NAVAJO NATION WATER CODE AND INTERPRE-
19 TATION.—

20 (1) IN GENERAL.—Navajo Nation Water Code
21 or Navajo Water Law provisions that meet the re-
22 quirements of Article 17.10 of the Agreement shall
23 be given full faith and credit in any proceeding de-
24 scribed in this section.

1 (2) PROVISIONS OF THE NAVAJO NATION
2 WATER CODE.—To the extent that a State court
3 conducting judicial review under this section must
4 interpret provisions of Navajo Nation law that are
5 not express provisions of the Navajo Nation Water
6 Code or Navajo Nation water law, the State court
7 shall certify the question of interpretation to the
8 Navajo Nation court.

9 (3) NO CERTIFICATION.—Any issues of inter-
10 pretation of standards in article 17.10.6 of the
11 Agreement are not subject to certification.

12 (4) LIMITATION.—Nothing in this section limits
13 the jurisdiction of the Decree Court to interpret and
14 enforce the Agreement.

15 **SEC. 12. MISCELLANEOUS PROVISIONS.**

16 (a) NO WAIVER OF SOVEREIGN IMMUNITY BY THE
17 UNITED STATES.—Nothing in this Act waives the sov-
18 ereign immunity of the United States.

19 (b) OTHER TRIBES NOT ADVERSELY AFFECTED.—
20 Nothing in this Act quantifies or diminishes any land or
21 water right, or any claim or entitlement to land or water,
22 of an Indian Tribe, band, Pueblo, or community other
23 than the Navajo Nation.

24 (c) EFFECT ON CURRENT LAW.—Nothing in this Act
25 affects any provision of law (including regulations) in ef-

1 fect on the day before the date of enactment of this Act
2 with respect to pre-enforcement review of any Federal en-
3 vironmental enforcement action.

4 (d) CONFLICT.—In the event of a conflict between
5 the Agreement and this Act, this Act shall control.

6 **SEC. 13. RELATION TO ALLOTTEES.**

7 (a) NO EFFECT ON CLAIMS OF ALLOTTEES.—Noth-
8 ing in this Act or the Agreement shall affect the rights
9 or claims of Allottees, or the United States, acting in its
10 capacity as trustee for or on behalf of Allottees, for water
11 rights or damages relating to land allotted by the United
12 States to Allottees.

13 (b) RELATIONSHIP OF DECREE TO ALLOTTEES.—

14 (1) SEPARATE ADJUDICATION.—Notwith-
15 standing whether an Allotment is patented pursuant
16 to section 1 of the Act of February 8, 1887 (com-
17 monly known as the “Indian General Allotment
18 Act”) (24 Stat. 388, chapter 119; 25 U.S.C. 331)
19 (as in effect on the day before the date of enactment
20 of the Indian Land Consolidation Act Amendments
21 of 2000 (Public Law 106–462; 114 Stat. 1991)) or
22 section 4 of that Act (24 Stat. 389, chapter 119; 25
23 U.S.C. 334), as determined by the Secretary, when
24 adjudicated—

(B) no water rights for Allotments shall be included in the Navajo Partial Final Judgment and Decree.

(2) ALLOTMENT WATER RIGHTS.—The Allotment water rights adjudicated separately pursuant to paragraph (1) shall not be subject to the restrictions or conditions that apply to the use of the Navajo Nation's Water Rights, subject to the condition that if an Allotment governed by the Act of February 8, 1887 (commonly known as the "Indian General Allotment Act") (24 Stat. 388, chapter 119) becomes Navajo Nation Lands, the water rights associated with that Allotment shall be subject to the restrictions and conditions on the Navajo Nation's Water Rights set forth in this Act and the Agreement.

1 **SEC. 14. EXPANSION OF NAVAJO-GALLUP WATER SUPPLY**

2 **PROJECT SERVICE AREA.**

3 (a) **DEFINITION OF PROJECT.**—In this section, the
4 term “Project” means the Navajo-Gallup Water Supply
5 Project authorized under section 10602 of the North-
6 western New Mexico Rural Water Projects Act (Public
7 Law 111–11; 123 Stat. 1379).

8 (b) **EXPANSION OF PROJECT SERVICE AREA AU-
9 THORIZED.**—The Nation may expand the service area for
10 the Project in order to deliver water supply from the
11 Project to communities of the Nation within the Rio San
12 José Basin in the State.

13 (c) **APPROVAL OF FINAL DESIGN FOR EXPANSION.**—
14 If water will be supplied from facilities of the Project to
15 the Rio San José Basin at a time when the Bureau of
16 Reclamation still holds title to those facilities, the Navajo
17 Nation shall—

18 (1) obtain approval, in writing, from the Com-
19 missioner of Reclamation for the final design of the
20 connection and related facilities needed to connect
21 the extension into the Rio San José area from those
22 facilities; and

23 (2) coordinate construction of the connection
24 and related facilities with the Commissioner of Rec-
25 lamation.

1 SEC. 15. ANTIDEFICIENCY.

2 The United States shall not be liable for any failure
3 to carry out any obligation or activity authorized by this
4 Act, including any obligation or activity under the Agree-
5 ment, if adequate appropriations are not provided ex-
6 pressly by Congress to carry out the purposes of this Act.

Calendar No. 665

118TH CONGRESS
2D SESSION
S. 4998

[Report No. 118-263]

A BILL

To approve the settlement of water rights claims of the Navajo Nation in the Rio San José Stream System in the State of New Mexico, and for other purposes.

DECEMBER 4, 2024

Reported without amendment