

117TH CONGRESS
2D SESSION

H. R. 9371

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

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 30, 2022

Ms. LEGER FERNANDEZ (for herself and Ms. STANSBURY) introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Navajo-Gallup Water
5 Supply Project Amendments Act of 2022”.

6 **SEC. 2. DEFINITIONS.**

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

1 (1) by redesignating paragraphs (12), (13),
2 (14), (15), (16), (17), (18), (19), (20), (21), (22),
3 (23), (24), (25), (26), (27), (28), (29), and (30) as
4 paragraphs (13), (14), (15), (16), (17), (18), (19),
5 (20), (21), (22), (23), (24), (25), (28), (29), (30),
6 (31), (32), and (33), respectively;

7 (2) by inserting after paragraph (11) the fol-
8 lowing:

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

14 (3) in paragraph (14) (as so redesignated)—

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

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

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

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

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

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

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

14 “(27) SAN JUAN GENERATING STATION.—The
15 term ‘San Juan Generating Station’ means the coal-
16 fired, 4-unit electric power plant and ancillary fea-
17 tures located by the San Juan Mine near Waterflow,
18 New Mexico.”; and

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

20 “(34) WORKING COST ESTIMATE.—The term
21 ‘Working Cost Estimate’ means the Bureau of Rec-
22 lamation document entitled ‘NGWSP October 2020
23 WCE’ and dated May 20, 2021, that details the
24 costs totaling \$1,705,174,000, at the October 2020

1 price level, of the Project, as configured on that
2 date.”.

3 **SEC. 3. NAVAJO-GALLUP WATER SUPPLY PROJECT.**

4 (a) AUTHORIZATION OF NAVAJO-GALLUP WATER
5 SUPPLY PROJECT.—Section 10602 of the Northwestern
6 New Mexico Rural Water Projects Act (Public Law 111–
7 11; 123 Stat. 1379) is amended—

8 (1) in subsection (a)—

9 (A) in the subsection heading, by striking
10 “IN GENERAL” and inserting “AUTHORIZA-
11 TION”;

12 (B) by striking “The Secretary” and in-
13 serting the following:

14 “(1) IN GENERAL.—The Secretary”;

15 (C) in paragraph (1) (as so designated), by
16 striking “Draft Impact Statement” and insert-
17 ing “Final Environmental Impact Statement, as
18 further refined in, and including the facilities
19 identified in, the Working Cost Estimate and
20 any subsequent supplemental documents pre-
21 pared in accordance with the National Environ-
22 mental Policy Act of 1969 (42 U.S.C. 4321 et
23 seq.).”; and

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

25 “(2) ADDITIONAL SERVICE AREAS.—

“(A) FINDINGS.—Congress finds that—

“(i) expanding the Project Service Area would create opportunities to increase service for additional Nation Tribal members and would not increase the cost of the Project beyond authorization levels described in section 10609(a); and

“(ii) the unit operations and maintenance costs of the Project would be reduced by adding more customers to the Project.

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

“(i) NEW MEXICO.—In addition to delivering water supply from the Project to the Nation communities in the San Juan River Basin, the Nation may expand the Project Service Area in order to deliver water supply from the Project to communities of the Nation within the Rio San Jose Basin, New Mexico.

“(ii) ARIZONA.—In addition to delivering water supply from the Project to the Nation communities of Fort Defiance and Window Rock, Arizona, and subject to sec-

tion 10603(c)(1), the Nation may expand the Project Service Area in order to deliver water supply from the Project to the Nation community of Lupton, Arizona, within the Little Colorado River Basin, Arizona.”;

(2) in subsection (b)—

(A) in the matter preceding paragraph (1)—

(i) by inserting “acquire,” before “construct,”; and

(ii) by striking “Draft Impact Statement” and inserting “Final Environmental Impact Statement, as further refined in, and including the facilities identified in, the Working Cost Estimate and any subsequent supplemental documents prepared in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.)”;

(B) by striking paragraph (1) and inserting the following:

“(1) SAN JUAN GENERATING STATION.—

“(A) IN GENERAL.—The water conveyance and storage facilities associated with the San Juan Generating Station, including the diver-

1 sion dam, the intake structure, the river pump-
 2 ing plant, the pipeline from the river to the res-
 3 ervoir, the dam and associated reservoir, the
 4 power line between the river and reservoir, and
 5 any associated land, rights-of-way, easements,
 6 or ancillary features.

7 “(B) WAIVER OF APPRAISAL.—Notwith-
 8 standing any other provision of law, the Sec-
 9 retary may waive an appraisal relating to the
 10 acquisition of the water conveyance and storage
 11 facilities associated with the San Juan Gener-
 12 ating Station described in subparagraph (A).”;

13 (C) in paragraph (2)(A)—

14 (i) by striking “River near Kirtland,
 15 New Mexico,” and inserting “Generating
 16 Station Reservoir”; and

17 (ii) by inserting “generally” before
 18 “follows United States Highway 491”;

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

22 (E) in paragraph (5), by inserting “(in-
 23 cluding any reservoir facility)” after “treatment
 24 facility”;

25 (3) in subsection (c)—

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

3 (B) in paragraph (1), by striking “any
 4 land or interest in land that is” and inserting
 5 “any land or facilities, or interest in land or fa-
 6 cilities, that are”; and

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

8 “(4) LAND TO BE TAKEN INTO TRUST.—

9 “(A) IN GENERAL.—On satisfaction of the
 10 conditions described in paragraph (7) of the
 11 Agreement and after the requirements of sec-
 12 tions 10701(e) and 10703 are met, the Sec-
 13 retary shall take legal title to the following land
 14 and, subject to subparagraph (D), hold that
 15 land in trust for the benefit of the Nation:

16 “(i) Fee land of the Nation, includ-
 17 ing—

18 “(I) the parcels of land on which
 19 the Tohlakai Pumping Plant, Reach
 20 12A and Reach 12B, are located, in-
 21 cluding, in McKinley County, New
 22 Mexico—

23 “(aa) sec. 5, T. 16 N., R. 18
 24 W., New Mexico Prime Meridian;
 25 and

1 “(bb) sec. 33, T. 17 N., R.
2 17 W., New Mexico Prime Merid-
3 ian (except lot 9 and the NW¹/₄
4 of lot 4);

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

7 “(aa) NW¹/₄ and SW¹/₄ sec.
8 5, T. 16 N., R. 18 W.;

9 “(bb) N¹/₂ sec. 11, T. 16 N.,
10 R. 19 W.; and

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

13 “(III) the parcel of land on which
14 Reach 12.2 is located, including
15 NW¹/₄. sec. 2, T. 16 N., R. 21 W.

16 “(ii) Public domain land managed by
17 the Bureau of Land Management, includ-
18 ing—

19 “(I) the parcel of land on which
20 the Cutter Lateral Water Treatment
21 Plant is located, including S¹/₂ sec. 9,
22 T. 25 N., R. 9 W., New Mexico Prime
23 Meridian; and

24 “(II) the parcel of land on which
25 the Navajo Agricultural Products In-

1 dustury turnout is located, including
2 NW¹/₄ and NE¹/₄ sec. 34, T. 26 N.,
3 R. 9 W., New Mexico Prime Meridian.

4 “(iii) Public domain land managed by
5 the Bureau of Reclamation, including the
6 land underlying the San Juan Generating
7 Station facilities acquired by the United
8 States.

9 “(B) PART OF NAVAJO NATION.—The land
10 taken into trust under subparagraph (A) shall
11 be part of the Navajo Reservation and adminis-
12 tered in accordance with the laws and regula-
13 tions generally applicable to land held in trust
14 by the United States for the benefit of an In-
15 dian Tribe.

16 “(C) LIMITATIONS.—The land taken into
17 trust under subparagraph (A) shall be subject
18 to valid existing rights, contracts, and manage-
19 ment agreements, including easements and
20 rights-of-way.

21 “(D) SAVINGS CLAUSE.—Nothing in this
22 paragraph affects any—

23 “(i) water right of the Nation in exist-
24 ence on the day before the date of enact-

1 ment of the Navajo-Gallup Water Supply
2 Project Amendments Act of 2022; and

3 “(ii) right or claim of the Nation to
4 any land or interest in land in existence on
5 the day before the date of enactment of the
6 Navajo-Gallup Water Supply Project
7 Amendments Act of 2022.”;

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

10 (5) in subsection (e)—

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

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

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

15 “(2) RENEWABLE ENERGY AND HYDRO-
16 ELECTRIC POWER.—

17 “(A) RENEWABLE ENERGY.—For any por-
18 tion of the Project that does not have access to
19 Colorado River Storage Project power, the Sec-
20 retary may use not more than \$6,250,000 of
21 the amounts made available under section
22 10609(a)(1) to develop renewable energy.

23 “(B) HYDROELECTRIC POWER.—Notwith-
24 standing whether a Project facility has access
25 to Colorado River Storage Project power, the

1 Secretary may use not more than \$1,250,000 of
2 the \$6,250,000 authorized to be used to develop
3 renewable energy under subparagraph (A) to
4 develop hydroelectric power for any Project fa-
5 cility that can use hydraulic head to produce
6 electricity.”;

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

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

11 “(i) DEFERRED CONSTRUCTION OF PROJECT FA-
12 CILITIES.—

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

21 “(2) DEFERRED CONSTRUCTION FUND.—

22 “(A) ESTABLISHMENT.—There is estab-
23 lished in the Treasury a fund, to be known as
24 the ‘Navajo Nation’s Navajo-Gallup Water Sup-

ply Project Deferred Construction Fund’, to
consist of—

“(i) amounts that correspond to portions of the Project that have been deferred under paragraph (1); and

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

“(B) USE OF THE DEFERRED CONSTRUCTION FUND.—The Nation may use amounts in the Deferred Construction Fund—

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

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

“(C) ALTERNATE FACILITIES CONSISTENT WITH THE PURPOSE OF THE PROJECT.—On agreement between the Nation and the Secretary, and the Jicarilla Apache Nation if the deferred Project facilities benefit the Jicarilla Apache Nation, and in compliance with all applicable environmental and cultural resource protection laws, facilities other than those previously agreed to be deferred under paragraph (1) may be constructed if those alternate facili-

1 ties are consistent with the purposes of the
2 Project described in section 10601.

3 “(3) AMOUNTS TO BE DEPOSITED.—Funds allo-
4 cated from the amounts made available under sec-
5 tion 10609(a)(1) to build facilities referred to in
6 paragraph (1) shall be deposited into the Deferred
7 Construction Fund.

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

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

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

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

3 “(B) alternate Project facilities described
4 in paragraph (2)(C).”.

5 (b) DELIVERY AND USE OF NAVAJO-GALLUP WATER
6 SUPPLY PROJECT WATER.—Section 10603(a)(3)(B) of
7 the Northwestern New Mexico Rural Water Projects Act
8 (Public Law 111–11; 123 Stat. 1383) is amended—

9 (1) in clause (i), by inserting “or, if generated
10 on City-owned facilities, by the City” after “the Na-
11 tion”; and

12 (2) in clause (ii), by inserting “, except that the
13 City shall retain all revenue from the sale of hydro-
14 electric power that is generated on City-owned facili-
15 ties” after “hydroelectric power”.

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

19 (1) in subsection (b)(3)—

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

23 (B) in subparagraph (B)—

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

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

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

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

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

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

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

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

20 (5) in subsection (f)—

21 (A) by redesignating paragraphs (1)
 22 through (5) as subparagraphs (A) through (E),
 23 respectively, and indenting appropriately;

24 (B) by inserting before subparagraph (A)
 25 (as so designated) the following:

1 “(1) NAVAJO NATION.—”;

2 (C) in paragraph (1) (as so designated)—

3 (i) in subparagraph (A) (as so redesignated), by striking “may waive” and all
4 that follows through the period at the end
5 and inserting “shall waive, for a period of
6 15 years, the operation, maintenance, and
7 replacement costs allocable to the Na-
8 tion.”;

9
10 (ii) in subparagraph (B) (as so redesignated)—

11
12 (I) by striking “paragraph (1)”
13 and inserting “subparagraph (A) expires”;
14

15 (II) by striking “allocated”; and

16 (III) by inserting “that are allocated to the Nation” after “Project”;

17
18 (iii) in subparagraph (C) (as so redesignated), by striking “paragraph (1)” and
19 inserting “subparagraph (A)”;

20
21 (iv) by striking subparagraph (D) (as
22 so redesignated) and inserting the following:
23

24 “(D) ANTIDEFICIENCY.—The Secretary
25 shall not be liable for any failure to carry out

any obligation or activity authorized by this subsection if adequate appropriations are not provided expressly by an Act of Congress to carry out the purposes of this subsection.”; and

(v) by striking subparagraph (E) (as so redesignated) and inserting the following:

“(E) TERMINATION OF WAIVER.—The waiver authorized under subparagraph (A) shall terminate with respect to a section of the Project on the earlier of—

“(i) the date on which that section of the Project is transferred to the Nation under section 10602(f); and

“(ii) the date on which the waiver granted by the Secretary under that subparagraph has been in place for 15 years.”; and

(D) by adding at the end the following:

“(2) JICARILLA APACHE NATION.—

“(A) IN GENERAL.—On the date on which the Secretary declares a section of the Project to be substantially complete and delivery of water generated by and through that section of the Project can be made to the Jicarilla Apache

1 Nation, the Secretary shall waive, for a period
2 of 10 years, the operation, maintenance, and re-
3 placement costs allocable to the Jicarilla
4 Apache Nation.

5 “(B) SUBSEQUENT PAYMENT BY
6 JICARILLA APACHE NATION.—After a waiver
7 under subparagraph (A) expires, the Jicarilla
8 Apache Nation shall pay all operation, mainte-
9 nance, and replacement costs of that section of
10 the Project that are allocated to the Jicarilla
11 Apache Nation.

12 “(C) PAYMENT BY UNITED STATES.—Any
13 operation, maintenance, or replacement costs
14 waived by the Secretary under subparagraph
15 (A) shall be paid by the United States and shall
16 be nonreimbursable.

17 “(D) ANTIDEFICIENCY.—The Secretary
18 shall not be liable for any failure to carry out
19 any obligation or activity authorized by this
20 subsection if adequate appropriations are not
21 provided expressly by an Act of Congress to
22 carry out the purposes of this subsection.

23 “(3) CITY OF GALLUP.—

24 “(A) IN GENERAL.—On the date on which
25 the Secretary declares a section of the Project

1 to be substantially complete and delivery of
2 water generated by and through that section of
3 the Project can be made to the City, the Sec-
4 retary shall waive, for a period of 10 years, the
5 operation, maintenance, and replacement costs
6 allocable to the City.

7 “(B) SUBSEQUENT PAYMENT BY CITY OF
8 GALLUP.—After a waiver under subparagraph
9 (A) expires, the City shall pay all operation,
10 maintenance, and replacement costs of that sec-
11 tion of the Project that are allocated to the
12 City.

13 “(C) PAYMENT BY UNITED STATES.—Any
14 operation, maintenance, or replacement costs
15 waived by the Secretary under subparagraph
16 (A) shall be paid by the United States and shall
17 be nonreimbursable.

18 “(D) ANTIDEFICIENCY.—The Secretary
19 shall not be liable for any failure to carry out
20 any obligation or activity authorized by this
21 subsection if adequate appropriations are not
22 provided expressly by an Act of Congress to
23 carry out the purposes of this subsection.”.

24 (d) AUTHORIZATION OF CONJUNCTIVE USE
25 WELLS.—Section 10606 of the Northwestern New Mexico

1 Rural Water Projects Act (Public Law 111–11; 123 Stat.
2 1392) is amended by adding at the end the following:

3 “(i) WELLS SERVING THE CITY OF GALLUP RE-
4 GIONAL WATER SYSTEM.—

5 “(1) IN GENERAL.—The Secretary shall enter
6 into a financial assistance agreement with the City
7 to provide funding, using amounts made available
8 under section 10609(b)(3), for the construction or
9 rehabilitation of wells and related pipeline facilities
10 to provide capacity for the diversion and distribution
11 by the City of not more than 1,500 acre feet of
12 groundwater per year.

13 “(2) WATER RIGHTS.—The water rights associ-
14 ated with any wells constructed or rehabilitated
15 under paragraph (1)—

16 “(A) shall not be considered to be part of
17 the Agreement; and

18 “(B) shall be considered to be already ex-
19 isting water rights permitted by the New Mex-
20 ico State Engineer to the City for municipal
21 and domestic uses.

22 “(3) TITLE TO WELLS.—Title to the wells and
23 related pipeline facilities constructed or rehabilitated
24 in accordance with paragraph (1) shall remain with
25 the City at all times.

1 “(4) ASSOCIATED COSTS.—All operation, main-
2 tenance, and replacement costs associated with wells
3 and related pipeline facilities constructed or rehabili-
4 tated in accordance with paragraph (1) shall be the
5 responsibility of the City.”.

6 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
7 10609 of the Northwestern New Mexico Rural Water
8 Projects Act (Public Law 111–11; 123 Stat. 1395) is
9 amended—

10 (1) in subsection (a)—

11 (A) in paragraph (1), by striking
12 “\$870,000,000 for the period of fiscal years
13 2009 through 2024” and inserting
14 “\$1,923,200,000 for the period of fiscal years
15 2009 through 2029”;

16 (B) by striking paragraph (2) and insert-
17 ing the following:

18 “(2) ADJUSTMENTS.—

19 “(A) IN GENERAL.—The amount under
20 paragraph (1) shall be adjusted by such
21 amounts as may be required—

22 “(i) by reason of changes since Octo-
23 ber 2020 in construction cost changes in
24 applicable regulatory standards, as indi-

1 cated by engineering cost indices applicable
2 to the types of construction involved; and

3 “(ii) to address construction cost
4 changes necessary to account for unfore-
5 seen market volatility that may not other-
6 wise be captured by engineering cost indi-
7 ces described in clause (i), as determined
8 by the Secretary, including repricing appli-
9 cable to the types of construction and cur-
10 rent industry standards involved.

11 “(B) DEFERRED CONSTRUCTION FUND.—
12 Amounts deposited in the Deferred Construc-
13 tion Fund shall not be adjusted pursuant to
14 this paragraph.”; and

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

18 (A) in paragraph (1), by striking
19 “\$30,000,000, as adjusted under paragraph
20 (3), for the period of fiscal years 2009 through
21 2019” and inserting “\$37,500,000, as adjusted
22 under paragraph (4), for the period of fiscal
23 years 2009 through 2032”;

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

1 (C) by redesignating paragraphs (3)
2 through (6) as paragraphs (4) through (7), re-
3 spectively;

4 (D) by inserting after paragraph (2) the
5 following:

6 “(3) CITY OF GALLUP WELLS.—There is au-
7 thorized to be appropriated for the construction or
8 rehabilitation and operation and maintenance of con-
9 junctive use wells for the City \$18,000,000, as ad-
10 justed under paragraph (4), for the period of fiscal
11 years 2021 through 2029.”;

12 (E) in paragraph (4) (as so redesign-
13 nated)—

14 (i) by striking “The amount under
15 paragraph (1)” and inserting the following:

16 “(A) SAN JUAN WELLS AND WELLS IN THE
17 LITTLE COLORADO AND RIO GRANDE BASINS.—
18 The amount under paragraphs (1) and (2)”;
19 and

20 (ii) by adding at the end the fol-
21 lowing:

22 “(B) CITY OF GALLUP WELLS.—The
23 amount under paragraph (3) shall be adjusted
24 by such amounts as may be required by reason
25 of changes since 2021 in construction costs, as

1 indicated by engineering cost indices applicable
2 to the types of construction or rehabilitation in-
3 volved.”;

4 (F) in paragraph (5) (as so redesignated),
5 by striking “paragraphs (1) and (2)” and in-
6 serting “paragraphs (1), (2), and (3)”; and

7 (G) in paragraph (6) (as so redesignated),
8 by striking “paragraphs (1) and (2)” and in-
9 serting “paragraphs (1), (2), and (3)”.

10 (f) TAXATION OF CONSTRUCTION, OPERATION, AND
11 MAINTENANCE OF PROJECT FACILITIES.—Part III of the
12 Northwestern New Mexico Rural Water Projects Act
13 (Public Law 111–11; 123 Stat. 1379) is amended by add-
14 ing at the end the following:

15 **“SEC. 10610. TAXATION OF CONSTRUCTION, OPERATION,**
16 **AND MAINTENANCE OF PROJECT FACILITIES.**

17 “(a) NATION LAND.—Any activity constituting the
18 construction, operation, or maintenance of Project facili-
19 ties—

20 “(1) shall, if the activity takes place on land
21 that is held in trust by the United States for the
22 benefit of the Nation, be subject to taxation by the
23 Nation; and

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

4 “(b) OTHER LAND.—Any activity constituting the
 5 construction, operation, or maintenance of Project facili-
 6 ties—

7 “(1) shall, if the activity takes place on land
 8 other than the land described in subsection (a)(1),
 9 be subject to taxation by the State in which the land
 10 is located, or by a political subdivision of that State
 11 to the extent authorized by the laws of that State;
 12 and

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

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

16 (a) AGREEMENT.—Section 10701(e)(1)(A) of the
 17 Northwestern New Mexico Rural Water Projects Act
 18 (Public Law 111–11; 123 Stat. 1400) is amended—

19 (1) in clause (ix), by striking “2024” and in-
 20 serting “2029”; and

21 (2) by adding at the end the following:

22 “(x) DEFERRED CONSTRUCTION
 23 FUND.—

24 “(I) IN GENERAL.—Not later
 25 than December 31, 2029, the United

1 States shall make all deposits into the
2 Deferred Construction Fund in ac-
3 cordance with section 10602(i)(3).

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

12 (b) WAIVERS AND RELEASES.—Section 10703 of the
13 Northwestern New Mexico Rural Water Projects Act
14 (Public Law 111–11; 123 Stat. 1403) is amended—

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

17 (2) in subsection (e)(2), in the matter preceding
18 subparagraph (A), by striking “2025” and inserting
19 “2030”.

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