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WASHINGTON, D.C. – Secretary of the Interior Ken Salazar announced that the Bureau of Reclamation today has awarded a $10.75 million construction contract for the Navajo-Gallup Water Supply Project, setting the stage for construction to begin on the major water infrastructure project this summer. When completed, the project will provide a long-term, sustainable water supply to meet the critical needs of more than 43 Navajo chapters; the city of Gallup, New Mexico; and the Teepee Junction area of the Jicarilla Apache Nation.

Once construction is underway, it is possible that the first water delivery to Navajo communities – where more than 40 percent of Navajo Nation households rely on hauling water to meet their daily need - could occur in two to three years.

“This construction contract award marks a major milestone for this high-priority infrastructure project as we work to implement the historic water rights settlement that will deliver clean drinking water to hundreds of thousands of people and offer certainty to water users across the west,” said Salazar. “In the short term, this project is expected to create hundreds of high-paying construction jobs; in the long-term, the permanent water supply will vastly improve the quality of life and offer greater economic security for the Navajo Nation.”

The project, one of 14 high-priority infrastructure projects identified by the Obama Administration to be expedited through the permitting and environmental review process,will include approximately 280 miles of pipeline, several pumping plants, and two water treatment plants.

Today’s contract, awarded to McMillen, LLC of Boise, Idaho, is for Reach 12A of the project which will consist of placing approximately four miles of 42-inch diameter water supply pipeline and appurtenant facilities located about eight miles north of Gallup in McKinley County. Construction of future reaches will performed by four entities: Reclamation will construct a portion of the future reaches under its own authorities, and other portions will be constructed by the city of Gallup, Navajo Nation, and Indian Health Service under their own authorities in accordance with financial assistance agreements with Reclamation.

It is estimated that 400-450 jobs will be created on the multiple contracts to be awarded within the first year; increasing to an estimated 600-650 jobs at the peak of construction.

“Our steady progress over the past year has positioned us to break ground on this important project as early as this summer,” said Reclamation Commissioner Michael L. Connor. “Given the strong need for clean water supplies, we will continue to work with our partners to ensure that the project moves forward in an efficient and transparent way.”

Project participants include the Navajo Nation, Jicarilla Apache Nation and the city of Gallup, in conjunction with the state of New Mexico, Bureau of Indian Affairs and the Indian Health Service. Reclamation has continued to work closely with the project participants to complete the many requisite

pre-construction activities since Secretary Salazar signed the Navajo Nation San Juan River Basin Water Rights Settlement agreement in December 2010.

Repayment contracts have been executed with the city of Gallup and the Jicarilla Apache Nation providing the terms and conditions by which those entities will repay their allocable portions of the project construction costs. Additionally, a cost-share agreement with the state of New Mexico was executed for the state's share of the project's construction costs.

Public Law 111-11, which authorized the project, requires construction of all features to be completed by Dec. 31, 2024. In order to meet the legislated deadline, construction of project reaches will occur simultaneously with priority on construction of initial facilities to convey water to areas within the Navajo Nation that have immediate needs. Those demands will be met in the short-term by delivery from existing groundwater wells.

The completed project will provide 37,376 acre-feet of water annually from the San Juan River Basin to more than 43 Navajo chapters, including Fort Defiance service area in Arizona, the city of Gallup and the Teepee Junction area of the Jicarilla Apache Nation. These areas rely on rapidly depleting groundwater of poor quality that is inadequate to meet current and future demands. The project will provide an adequate supply of water to support a future population of approximately 250,000 people by the year 2040.

Reclamation continues to cooperatively work with project participants and federal action agencies to identify areas where permitting and approval processes can be streamlined to facilitate project construction. The current status of the project is publicly available through the Federal Infrastructure Projects Dashboard web site designed to enhance efficiency, accountability, and transparency of the federal permitting and review process for all 14 high-priority infrastructure projects.

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