Calendar No. 638

107TH CONGRESS 2D SESSION

S. 2743

[Report No. 107-301]

To approve the settlement of the water rights claims of the Zuni Indian Tribe in Apache County, Arizona, and for other purposes.

IN THE SENATE OF THE UNITED STATES

July 17, 2002

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

October 8, 2002

Reported by Mr. INOUYE, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To approve the settlement of the water rights claims of the Zuni Indian Tribe in Apache County, Arizona, 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 "Zuni Indian Tribe
- 5 Water Rights Settlement Act of 2002".

SEC. 2. FINDINGS AND PURPOSES.

2	(a)	Findings.	-Congress	makes	the	following	find-
3	ings:						

- (1) It is the policy of the United States, in keeping with its trust responsibility to Indian tribes, to promote Indian self-determination, religious freedom, political and cultural integrity, and economic self-sufficiency, and to settle, wherever possible, the water rights claims of Indian tribes without lengthy and costly litigation.
- (2) Quantification of rights to water and development of facilities needed to use tribal water supplies effectively is essential to the development of viable Indian reservation communities, particularly in arid western States.
- (3) On August 28, 1984, and by actions subsequent thereto, the United States established a reservation for the Zuni Indian Tribe in Apache County, Arizona upstream from the confluence of the Little Colorado and Zuni Rivers for long-standing religious and sustenance activities.
- (4) The water rights of all water users in the Little Colorado River basin in Arizona have been in litigation since 1979, in the Superior Court of the State of Arizona in and for the County of Apache in Civil No. 6417, In re The General Adjudication

of All Rights to Use Water in the Little Colorado
River System and Source.

(5) Recognizing that the final resolution of the Zuni Indian Tribe's water claims through litigation will take many years and entail great expense to all parties, continue to limit the Tribe's access to water with economic, social, and cultural consequences to the Tribe, prolong uncertainty as to the availability of water supplies, and seriously impair the long-term economic planning and development of all parties, the Tribe and neighboring non-Indians have sought to settle their disputes to water and reduce the burdens of litigation.

(6) After more than 4 years of negotiations, which included participation by representatives of the United States, the Zuni Indian Tribe, the State of Arizona, and neighboring non-Indian communities in the Little Colorado River basin, the parties have entered into a Settlement Agreement to resolve all of the Zuni Indian Tribe's water rights claims and to assist the Tribe in acquiring surface water rights, to provide for the Tribe's use of groundwater, and to provide for the wetland restoration of the Tribe's lands in Arizona.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

(7) To facilitate the wetland restoration project contemplated under the Settlement Agreement, the Zuni Indian Tribe acquired certain lands along the Little Colorado River near or adjacent to its Reservation that are important for the success of the project and will likely acquire a small amount of similarly situated additional lands. The parties have agreed not to object to the United States taking title to certain of these lands into trust status; other lands shall remain in tribal fee status. The parties have worked extensively to resolve various governmental concerns regarding use of and control over those lands, and to provide a successful model for these types of situations, the State, local, and tribal governments intend to enter into an Intergovernmental Agreement that addresses the parties' governmental concerns.

(8) Pursuant to the Settlement Agreement, the neighboring non-Indian entities will assist in the Tribe's acquisition of surface water rights and development of groundwater, store surface water supplies for the Zuni Indian Tribe, and make substantial additional contributions to carry out the Settlement Agreement's provisions.

1	(9) To advance the goals of Federal Indian pol-
2	iey and consistent with the trust responsibility of the
3	United States to the Tribe, it is appropriate that the
4	United States participate in the implementation of
5	the Settlement Agreement and contribute funds for
6	the rehabilitation of religious riparian areas and
7	other purposes to enable the Tribe to use its water
8	entitlement in developing its Reservation.
9	(b) Purposes.—The purposes of this Act are—
10	(1) to approve, ratify, and confirm the Settle-
11	ment Agreement entered into by the Tribe and
12	neighboring non-Indians;
13	(2) to authorize and direct the Secretary of the
14	Interior to execute and perform the Settlement
15	Agreement and related waivers;
16	(3) to authorize and direct the United States to
17	take legal title and hold such title to certain lands
18	in trust for the benefit of the Zuni Indian Tribe; and
19	(4) to authorize the actions, agreements, and
20	appropriations as provided for in the Settlement
21	Agreement and this Act.
22	SEC. 3. DEFINITIONS.
23	In this Act:
24	(1) Eastern LCR Basin.—The term "Eastern
25	LCR basin" means the portion of the Little Colo-

- 1 rado River basin in Arizona upstream of the con-
- 2 fluence of Silver Creek and the Little Colorado
- River, as identified on Exhibit 2.10 of the Settle-
- 4 ment Agreement.
- 5 (2) Fund.—The term "Fund" means the Zuni 6 Indian Tribe Water Rights Development Fund es-
- 7 $\frac{\text{tablished by section } 6(a)}{\text{tablished by section } 6(a)}$
- 8 (3) INTERGOVERNMENTAL AGREEMENT.—The
 9 term "Intergovernmental Agreement" means the
 10 intergovernmental agreement between the Zuni In11 dian Tribe, Apache County, Arizona and the State
 12 of Arizona described in Article 6 of the Settlement
 13 Agreement.
 - (4) Pumping Protection Agreement.—The term "Pumping Protection Agreement" means an agreement, described in Article 5 of the Settlement Agreement, between the Zuni Tribe, the United States on behalf of the Tribe, and a local landowner under which the landowner agrees to limit pumping of groundwater on his lands in exchange for a waiver of certain claims by the Zuni Tribe and the United States on behalf of the Tribe.
 - (5) RESERVATION; ZUNI HEAVEN RESERVATION.—The term "Reservation" or "Zuni Heaven Reservation", also referred to as "Kolhu:wala:wa",

15

16

17

18

19

20

21

22

23

24

- means the following property in Apache County, Arizona: Sections 26, 27, 28, 33, 34, and 35, Township

 North, Range 26 East, Gila and Salt River Base

 and Meridian; and Sections 2, 3, 4, 9, 10, 11, 13,

 14, 15, 16, 23, 26, and 27, Township 14 North,

 Range 26 East, Gila and Salt River Base and Meridian.
 - (6) SECRETARY.—The term "Secretary" means the Secretary of the Interior.
 - "Settlement Agreement" means that agreement dated June 7, 2002, together with all exhibits thereto. The parties to the Settlement Agreement include the Zuni Indian Tribe and its members, the United States on behalf of the Tribe and its members, the State of Arizona, the Arizona Game and Fish Commission, the Arizona State Land Department, the Arizona State Parks Board, the St. Johns Irrigation and Ditch Co., the Lyman Water Co., the Round Valley Water Users' Association, the Salt River Project Agricultural Improvement and Power District, the Tucson Electric Power Company, the City of St. Johns, the Town of Eagar, and the Town of Springerville.

1	(8) SRP.—The term "SRP" means the Salt
2	River Project Agricultural Improvement and Power
3	District, a political subdivision of the State of Ari-
4	zona.
5	(9) TEP.—The term "TEP" means Tucson
6	Electric Power Company.
7	(10) Tribe, zuni tribe, or zuni indian
8	TRIBE.—The terms "Tribe", "Zuni Tribe", or "Zuni
9	Indian Tribe" means the body politic and federally
10	recognized Indian nation, and its members.
11	(11) Zuni Lands.—The term "Zuni Lands"
12	means all the following lands, in the State of Ari-
13	zona, that, on the effective date described in section
14	9(a), are—
15	(A) within the Zuni Heaven Reservation;
16	(B) held in trust by the United States for
17	the benefit of the Tribe or its members; or
18	(C) held in fee by or for the Tribe.
19	SEC. 4. AUTHORIZATION, RATIFICATIONS, AND CONFIRMA-
20	TIONS.
21	(a) SETTLEMENT AGREEMENT.—To the extent the
22	Settlement Agreement does not conflict with the provi-
23	sions of this Act, such Settlement Agreement is hereby
24	approved, ratified, confirmed, and declared to be valid.
25	The Secretary is authorized and directed to execute the

- 1 Settlement Agreement and any amendments approved by
- 2 the parties necessary to make the Settlement Agreement
- 3 consistent with this Act. The Secretary is further author-
- 4 ized to perform any actions required by the Settlement
- 5 Agreement and any amendments to the Settlement Agree-
- 6 ment that may be mutually agreed upon by the parties
- 7 to the Settlement Agreement.
- 8 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
- 9 authorized to be appropriated to the Zuni Indian Tribe
- 10 Water Rights Development Fund established in section
- 11 6(a), \$19,250,000, to be allocated by the Secretary as fol-
- 12 lows:
- 13 (1) \$3,500,000 for fiscal year 2004, to be used
- 14 for the acquisition of water rights and associated
- 15 lands, and other activities carried out, by the Zuni
- 16 Tribe to facilitate the enforceability of the Settle-
- 17 ment Agreement, including the acquisition of at
- 18 least 2,350 acre-feet per year of water rights before
- 19 the deadline described in section 9(b).
- 20 (2) \$15,750,000, of which \$5,250,000 shall be
- 21 made available for each of fiscal years 2004, 2005,
- 22 and 2006, to take actions necessary to restore, reha-
- 23 bilitate, and maintain the Zuni Heaven Reservation,
- 24 including the Sacred Lake, wetlands, and riparian

1	areas as provided for in the Settlement Agreement
2	and under this Act.
3	(e) Other Agreements. Except as provided in
4	section 9, the following 3 separate agreements, together
5	with all amendments thereto, are approved, ratified, con-
6	firmed, and declared to be valid:
7	(1) The agreement between SRP, the Zuni
8	Tribe, and the United States on behalf of the Tribe,
9	dated June 7, 2002.
10	(2) The agreement between TEP, the Zuni
11	Tribe, and the United States on behalf of the Tribe,
12	dated June 7, 2002.
13	(3) The agreement between the Arizona State
14	Land Department, the Zuni Tribe, and the United
15	States on behalf of the Tribe, dated June 7, 2002.
16	SEC. 5. TRUST LANDS.
17	(a) New Trust Lands.—Upon satisfaction of the
18	conditions in paragraph 6.2 of the Settlement Agreement,
19	and after the requirements of section 9(a) have been met,
20	the Secretary shall take the legal title of the following
21	lands into trust for the benefit of the Zuni Tribe:
22	(1) In T. 14 N., R. 27 E., Gila and Salt River
23	Base and Meridian:
24	(A) Section 13: SW1/4, S1/2NE1/4SE1/4,
25	W ¹ / ₂ SE ¹ / ₄ , SE ¹ / ₄ SE ¹ / ₄ ;

1	(B) Section 23: $N^{1/2}$, $N^{1/2}SW^{1/4}$,
2	$\frac{N\frac{1}{2}SE\frac{1}{4}}{4}$, $\frac{SE\frac{1}{4}SE\frac{1}{4}}{4}$, $\frac{N\frac{1}{2}SW\frac{1}{4}SE\frac{1}{4}}{4}$
3	SE¹/₄SW¹/₄SE¹/₄;
4	(C) Section 24: NW1/4, SW1/4, S1/2NE1/4,
5	$N^{1/2}SE^{1/4}$; and
6	(D) Section 25: N ¹ / ₂ NE ¹ / ₄ , SE ¹ / ₄ NE ¹ / ₄ ,
7	NE ¹ / ₄ SE ¹ / ₄ .
8	(2) In T. 14 N., R. 28 E., Gila and Salt River
9	Base and Meridian:
10	(A) Section 19: W ¹ / ₂ E ¹ / ₂ NW ¹ / ₄ ,
11	W ¹ / ₂ NW ¹ / ₄ , W ¹ / ₂ NE ¹ / ₄ SW ¹ / ₄ , NW ¹ / ₄ SW ¹ / ₄ ,
12	S½SW½;
13	(B) Section 29: SW1/4SW1/4NW1/4,
14	NW ¹ / ₄ NW ¹ / ₄ SW ¹ / ₄ , S ¹ / ₂ SW ¹ / ₄ , S ¹ / ₂ SW ¹ / ₄ ,
15	S½NW¼SE¼, SW¼SE¼;
16	(C) Section 30: W½, SE¼; and
17	(D) Section 31: N ¹ / ₂ NE ¹ / ₄ , N ¹ / ₂ S ¹ / ₂ NE ¹ / ₄ ,
18	$S^{1/2}SE^{1/4}NE^{1/4}$, $NW^{1/4}$, $E^{1/2}SW^{1/4}$,
19	N ¹ / ₂ NW ¹ / ₄ SW ¹ / ₄ , SE ¹ / ₄ NW ¹ / ₄ SW ¹ / ₄ ,
20	E½SW¼SW¼, SW¼SW¼SW¼4.
21	(b) Future Trust Lands.—Upon satisfaction of
22	the conditions in paragraph 6.2 of the Settlement Agree-
23	ment, after the requirements of section 9(a) have been
24	met, and upon acquisition by the Zuni Tribe, the Sec-

1	retary shall take the legal title of the following lands into
2	trust for the benefit of the Zuni Tribe:
3	(1) In T. 14 N., R. 26E., Gila and Salt River
4	Base and Meridian: Section 25: N ¹ / ₂ NE ¹ / ₄ , N
5	$\frac{1}{2}S^{1/2}NE^{1/4}$, $\frac{NW^{1/4}}{4}$, $\frac{N^{1/2}NE^{1/4}SW^{1/4}}{4}$
6	NE ¹ / ₄ NW ¹ / ₄ SW ¹ / ₄ .
7	(2) In T. 14 N., R. 27 E., Gila and Salt River
8	Base and Meridian:
9	(A) Section 14: SE1/4SW1/4, SE1/4;
10	(B) Section 16: S½SW¼SE¼;
11	(C) Section 19: S½SE¼SE¼;
12	(D) Section 20: \$\frac{\$1\sqrt{2}\sW\frac{1}{4}\sW\frac{1}{4}}{4},
13	E½SE¼SE¼;
14	(E) Section 21: N ¹ / ₂ NE ¹ / ₄ , E ¹ / ₂ NE
15	1/4NW1/4, SE1/4NW1/4, W1/2SW1/4NE1/4,
16	N ¹ / ₂ NE ¹ / ₄ SW ¹ / ₄ , SW ¹ / ₄ NE ¹ / ₄ SW ¹ / ₄ ,
17	E½NW¼SW¼, SW¼NW¼SW¼,
18	W ¹ / ₂ SW ¹ / ₄ SW ¹ / ₄ ;
19	(F) Section 22: SW1/4NE1/4NE1/4,
20	NW ¹ / ₄ NE ¹ / ₄ , S ¹ / ₂ NE ¹ / ₄ , N ¹ / ₂ NW ¹ / ₄ ,
21	SE ¹ / ₄ NW ¹ / ₄ , N ¹ / ₂ SW ¹ / ₄ NW ¹ / ₄ ,
22	SE ¹ / ₄ SW ¹ / ₄ NW ¹ / ₄ , N ¹ / ₂ N ¹ / ₂ SE ¹ / ₄ , N ¹ / ₂ NE
23	1/4SW1/4;
24	(G) Section 24: N½NE¼, S½SE
25	1/4.

1	$(H) Section 29: N^{1/2}N^{1/2};$
2	(I) Section 30: N ¹ / ₂ N ¹ / ₂ , N ¹ / ₂ S ¹ / ₂ NW ¹ / ₄ ,
3	N ¹ / ₂ SW ¹ / ₄ NE ¹ / ₄ ; and
4	(J) Section 36: SE ¹ / ₄ SE ¹ / ₄ NE ¹ / ₄ ,
5	$\frac{NE^{1/4}NE^{1/4}SE^{1/4}}{NE^{1/4}SE^{1/4}}$
6	(3) In T. 14 N., R. 28 E., Gila and Salt River
7	Base and Meridian:
8	(A) Section 18: S ¹ / ₂ NE ¹ / ₄ , NE ¹ / ₄ SW ¹ / ₄ ,
9	NE1/4NW1/4SW1/4, S1/2NW1/4SW1/4, S1/2SW1/4,
10	N ¹ / ₂ SE ¹ / ₄ , N ¹ / ₂ SW
11	1/4SE1/4, SE1/4SE1/4;
12	(B) Section 30: S½NE1/4,
13	W ¹ / ₂ NW ¹ / ₄ NE ¹ / ₄ ; and
14	(C) Section 32: N ¹ / ₂ NW ¹ / ₄ NE ¹ / ₄ ,
15	SW ¹ / ₄ NE ¹ / ₄ , S ¹ / ₂ SE ¹ / ₄ NE ¹ / ₄ , NW ¹ / ₄ , SW ¹ / ₄ ,
16	$N^{1/2}SE^{1/4}$, $SW^{1/4}SE^{1/4}$, $N^{1/2}SE^{1/4}SE^{1/4}$,
17	$SW^{1/4}SE^{1/4}SE^{1/4}$.
18	(c) New Reservation Lands.—Upon satisfaction
19	of the conditions in paragraph 6.2 of the Settlement
20	Agreement, after the requirements of section 9(a) have
21	been met, and upon acquisition by the Zuni Tribe, the Sec-
22	retary shall take the legal title of the following lands in
23	Arizona into trust for the benefit of the Zuni Tribe and
24	make such lands part of the Zuni Indian Tribe Reserva-

- 1 tion in Arizona: Section 34, T. 14 N., R. 26 E., Gila and
- 2 Salt River Base and Meridian.
- 3 (d) Limitation on Secretarial Discretion.—
- 4 The Secretary shall have no discretion regarding the ac-
- 5 quisitions described in subsections (a), (b), and (c).
- 6 (e) Lands Remaining in Fee Status.—The Zuni
- 7 Tribe may seek to have the legal title to additional lands
- 8 in Arizona, other than the lands described in subsection
- 9 (a), (b), or (c), taken into trust by the United States for
- 10 the benefit of the Zuni Indian Tribe pursuant only to an
- 11 Act of Congress enacted after the date of enactment of
- 12 this Act specifically authorizing the transfer for the ben-
- 13 efit of the Zuni Tribe.
- 14 (f) Final Agency Action.—Any written certifi-
- 15 cation by the Secretary under subparagraph 6.2.B of the
- 16 Settlement Agreement constitutes final agency action
- 17 under the Administrative Procedure Act and is reviewable
- 18 as provided for under chapter 7 of title 5, United States
- 19 Code.
- 20 (g) No Federal Water Rights.—Lands taken
- 21 into trust pursuant to subsection (a), (b), or (c) shall not
- 22 have Federal reserved rights to surface water or ground-
- 23 water.
- 24 (h) STATE WATER RIGHTS.—The water rights and
- 25 uses for the lands taken into trust pursuant to subsection

- 1 (a) or (e) must be determined under subparagraph 4.1.A
- 2 and Article 5 of the Settlement Agreement. With respect
- 3 to the lands taken into trust pursuant to subsection (b),
- 4 the Zuni Tribe retains any rights or claims to water asso-
- 5 ciated with these lands under State law, subject to the
- 6 terms of the Settlement Agreement.
- 7 (i) FORFEITURE AND ABANDONMENT.—Water rights
- 8 that are appurtenant to lands taken into trust pursuant
- 9 to subsection (a), (b), or (c) shall not be subject to for-
- 10 feiture and abandonment.
- 11 (j) AD VALOREM TAXES.—With respect to lands that
- 12 are taken into trust pursuant to subsection (a) or (b)—
- 13 (1) such lands shall not be considered lands
- within an Indian reservation or lands owned or held
- by any Indian for the purposes of Article 20, para-
- 16 graph 5 of the Arizona Constitution, for the purpose
- of paying in lieu taxes pursuant to this subsection
- and the Intergovernmental Agreement between the
- 19 Zuni Tribe, Apache County, Arizona and the State
- 20 of Arizona; and
- 21 (2) the Zuni Tribe shall make payments in lieu
- of all current and future State, county, and local ad
- valorem property taxes that would otherwise be ap-
- 24 plicable to those lands if they were not in trust.

1	(k) AUTHORITY OF TRIBE.—For purposes of com-
2	plying with this section and Article 6 of the Settlement
3	Agreement, the Tribe is authorized to enter into—
4	(1) the Intergovernmental Agreement between
5	the Zuni Tribe, Apache County, Arizona, and the
6	State of Arizona; and
7	(2) any intergovernmental agreement required
8	to be entered into by the Tribe under the terms of
9	the Intergovernmental Agreement.
10	(l) Federal Acknowledgement of Intergov-
11	ERNMENTAL AGREEMENTS.—
12	(1) In General.—The Secretary shall acknowl-
13	edge the terms of any intergovernmental agreement
14	entered into by the Tribe under this section.
15	(2) No abrogation.—The Secretary shall not
16	seek to abrogate, in any administrative or judicial
17	action, the terms of any intergovernmental agree-
18	ment that are consistent with subparagraph 6.2.A of
19	the Settlement Agreement and this Act.
20	(3) No Removal.—If a judicial action is com-
21	menced during a dispute over any intergovernmental
22	agreement entered into under this section, and the
23	United States is allowed to intervene in such action,
24	the United States shall not remove such action to
25	the Federal courts.

1	(m) Rule of Construction.—Notwithstanding
2	any other provision of this Act, nothing in this Act alters
3	the continued application of the Act of May 25, 1918 (25
4	U.S.C. 211), within the State of Arizona.
5	(n) DISCLAIMER.—Nothing in this section repeals
6	modifies, amends, changes, or otherwise affects the Sec-
7	retary's obligations to the Zuni Tribe pursuant to the Act
8	entitled "An Act to convey certain lands to the Zuni In-
9	dian Tribe for religious purposes" approved August 28
10	1984 (Public Law 98–408; 98 Stat. 1533) (and as amend-
11	ed by the Zuni Land Conservation Act of 1990 (Public
12	Law 101–486; 104 Stat. 1174)).
13	SEC. 6. DEVELOPMENT FUND.
14	(a) Establishment of the Fund.—
15	(1) In General.—There is established in the
16	Treasury of the United States a fund to be known
17	as the "Zuni Indian Tribe Water Rights Develop-
18	ment Fund", to be managed and invested by the
19	Secretary, consisting of—
20	(A) the amounts authorized to be appro-
21	priated in section 4(b); and
22	(B) the appropriation to be contributed by
23	the State of Arizona pursuant to paragraph 7.6

- 1 (2) ADDITIONAL DEPOSITS.—The Secretary
- 2 shall deposit in the Fund any other monies paid to
- 3 the Secretary on behalf of the Zuni Tribe pursuant
- 4 to the Settlement Agreement.
- 5 (b) Management of the Fund.—The Secretary
- 6 shall manage the Fund, make investments from the Fund,
- 7 and make monies available from the Fund for distribution
- 8 to the Zuni Tribe consistent with the American Indian
- 9 Trust Fund Management Reform Act of 1994 (25 U.S.C.
- 10 4001 et seq.) (referred to in this section as the "Trust
- 11 Fund Reform Act"), this Act, and the Settlement Agree-
- 12 ment.
- 13 (c) Investment of the Fund.—The Secretary
- 14 shall invest amounts in the Fund in accordance with—
- 15 (1) the Act of April 1, 1880 (21 Stat. 70, ch.
- 16 41, 25 U.S.C. 161);
- 17 (2) the first section of the Act of June 24,
- 18 1938 (52 Stat. 1037, ch. 648, 25 U.S.C. 162a); and
- 19 (3) subsection (b).
- 20 (d) Availability of Amounts From the Fund.—
- 21 The funds authorized to be appropriated pursuant to sec-
- 22 tion 4(b)(2) and funds contributed by the State of Arizona
- 23 pursuant to paragraph 7.6 of the Settlement Agreement
- 24 shall be available for expenditure or withdrawal only after
- 25 the requirements of section 9(a) have been met.

1	(e) Expenditures and Withdrawal.—
2	(1) Tribal management plan.—
3	(A) In General.—The Zuni Tribe may
4	withdraw all or part of the Fund on approval
5	by the Secretary of a tribal management plan
6	as described in the Trust Fund Reform Act.
7	(B) REQUIREMENTS.—In addition to the
8	requirements under the Trust Fund Reform
9	Act, the tribal management plan shall require
10	that the Zuni Tribe spend any funds in accord-
11	ance with the purposes described in section
12	4(b).
13	(2) Enforcement.—The Secretary may take
14	judicial or administrative action to enforce the provi-
15	sions of any tribal management plan to ensure that
16	any monies withdrawn from the Fund under the
17	plan are used in accordance with this Act.
18	(3) LIABILITY.—If the Zuni Tribe exercises the
19	right to withdraw monies from the Fund, neither the
20	Secretary nor the Secretary of the Treasury shall re-
21	tain any liability for the expenditure or investment
22	of the monies withdrawn.
23	(4) Expenditure plan.—
24	(A) In GENERAL.—The Zuni Tribe shall
25	submit to the Secretary for approval an expend-

1	iture plan for any portion of the funds made
2	available under this Act that the Zuni Tribe
3	does not withdraw under this subsection.
4	(B) DESCRIPTION.—The expenditure plan
5	shall describe the manner in which, and the
6	purposes for which, funds of the Zuni Tribe re-
7	maining in the Fund will be used.
8	(C) Approval.—On receipt of an expendi-
9	ture plan under subparagraph (A), the Sec-
10	retary shall approve the plan if the Secretary
11	determines that the plan is reasonable and con-
12	sistent with this Act.
13	(5) Annual Report.—The Zuni Tribe shall
14	submit to the Secretary an annual report that de-
15	scribes all expenditures from the Fund during the
16	year covered by the report.
17	(f) Funds for Acquisition of Water Rights.—
18	(1) Water rights acquisitions.—Notwith-
19	standing subsection (e), the funds authorized to be
20	appropriated pursuant to section 4(b)(1)—
21	(A) shall be available upon appropriation
22	for use in accordance with section 4(b)(1); and
23	(B) shall be distributed by the Secretary to
24	the Zuni Tribe on receipt by the Secretary from
25	the Zuni Tribe of a written notice and a tribal

council resolution that describe the purposes for which the funds will be used.

(2) RIGHT TO SET OFF.—In the event the requirements of section 9(a) have not been met and the Settlement Agreement has become null and void under section 9(b), the United States shall be entitled to set off any funds expended or withdrawn from the amount appropriated pursuant to section 4(b)(1), together with any interest accrued, against any claims asserted by the Zuni Tribe against the United States relating to water rights at the Zuni Heaven Reservation.

- (3) WATER RIGHTS.—Any water rights acquired with funds described in paragraph (1) shall be credited against any water rights secured by the Zuni Tribe, or the United States on behalf of the Zuni Tribe, for the Zuni Heaven Reservation in the Little Colorado River General Stream Adjudication or in any future settlement of claims for those water rights.
- 21 (g) No PER CAPITA DISTRIBUTIONS.—No part of the
- 22 Fund shall be distributed on a per capita basis to members
- 23 of the Zuni Tribe.

1 SEC. 7. CLAIMS EXTINGUISHMENT; WAIVERS AND RE-

- 2 LEASES.
- 3 (a) Full Satisfaction of Members' Claims.—
- 4 (1) IN GENERAL.—The benefits realized by the 5 Tribe and its members under this Act shall con-6 stitute full and complete satisfaction of all members' 7 claims for water rights or injuries to water rights 8 under Federal, State, and other laws (including 9 claims for water rights in groundwater, surface 10 water, and effluent) for Zuni Lands from time im-11 memorial to the effective date described in section 12 9(a).
 - (2) No recognition or establishment of individual water right.—Nothing in this Act recognizes or establishes any right of a member of the Tribe to water on the Reservation.
- (b) Tribe and United States Authorization

 18 AND WAIVER.—The Tribe, on behalf of itself and its mem
 19 bers and the Secretary on behalf of the United States in

 20 its capacity as trustee for the Zuni Tribe and its members,

 21 are authorized, as part of the performance of their obliga
 22 tions under the Settlement Agreement, to execute a waiver

 23 and release, subject to paragraphs 11.4 and 11.7 of the

Settlement Agreement, for claims against the State of Ari-

25 zona, or any agency or political subdivision thereof, or any

13

14

15

1 other person, entity, corporation, or municipal corpora-

2 tion, under Federal, State, or other law for any and all—

- (1) past, present, and future claims to water rights (including water rights in groundwater, surface water, and effluent) for Zuni Lands from time immemorial through the effective date described in section 9(a) and any time thereafter, except for claims within the Zuni Protection Area as provided in Article 5 of the Settlement Agreement;
 - (2) past and present claims for injuries to water rights (including water rights in groundwater, surface water, and effluent and including claims for damages for deprivation of water rights and any claims for changes to groundwater table levels) for Zuni Lands from time immemorial through the effective date described in section 9(a);
 - (3) past, present, and future claims for water rights and injuries to water rights (including water rights in groundwater, surface water, and effluent and including any claims for damages for deprivation of water rights and any claims for changes to groundwater table levels) from time immemorial through the effective date described in section 9(a), and any time thereafter, for lands outside of Zuni lands but located within the Little Colorado River

1	basin in Arizona, based upon aboriginal occupancy
2	of lands by the Zuni Tribe or its predecessors;
3	(4) past and present claims for injuries to
4	water quality accruing from time immemorial
5	through the effective date described in section 9(a)
6	for lands within the Little Colorado River basin in
7	Arizona;
8	(5) future claims for injuries to water quality
9	accruing after the effective date described in section
10	9(a) on any lands within the Eastern LCR basin
11	eaused by—
12	(A) the lawful diversion or use of surface
13	water;
14	(B) the lawful withdrawal or use of
15	groundwater, except within the Zuni Protection
16	Area as provided in Article 5 of the Settlement
17	Agreement;
18	(C) the Parties' performance of their obli-
19	gations under this Settlement Agreement;
20	(D) the discharge of oil associated with
21	routine physical or mechanical maintenance of
22	wells or diversion structures;
23	(E) the discharge of oil associated with
24	routine start-up and operation of well pumps;
25	Ol'

1	(F) any combination thereof; and
2	(6) claims for interference with the trust re-
3	sponsibility of the United States to the Zuni Tribe
4	arising out of the negotiation of the Settlement
5	Agreement or this Act.
6	(e) Tribal Waiver Against the United
7	STATES.—The Tribe is authorized, as part of the perform-
8	ance of its obligations under the Settlement Agreement,
9	to execute a waiver and release, subject to paragraphs
10	11.4 and 11.6 of the Settlement Agreement, for claims
11	against the United States (acting in its capacity as trustee
12	for the Zuni Tribe or its members, or otherwise acting
13	on behalf of the Zuni Tribe or its members), including
14	any agencies, officials, or employees thereof, for any and
15	all—
16	(1) past, present, and future claims to water
17	rights (including water rights in groundwater, sur-
18	face water, and effluent) for Zuni Lands, from time
19	immemorial through the effective date described in
20	section 9(a) and any time thereafter;
21	(2) past and present claims for injuries to
22	water rights (including water rights in groundwater,
23	surface water, and effluent and any claims for dam-
24	ages for deprivation of water rights) for Zuni Lands

- from time immemorial through the effective date deseribed in section 9(a);
- 3 (3) past, present, and future claims for water 4 rights and injuries to water rights (including water 5 rights in groundwater, surface water, and effluent 6 and any claims for damages for deprivation of water 7 rights) from time immemorial through the effective 8 date described in section 9(a), and any time there-9 after, for lands outside of Zuni Lands but located 10 within the Little Colorado River basin in Arizona, 11 based upon aboriginal occupancy of lands by the 12 Zuni Tribe or its predecessors;
 - (4) past and present claims for failure to protect, acquire, or develop water rights of, or failure to protect water quality for, the Zuni Tribe within the Little Colorado River basin in Arizona from time immemorial through the effective date described in section 9(a); and
- 19 (5) claims for breach of the trust responsibility
 20 of the United States to the Zuni Tribe arising out
 21 of the negotiation of the Settlement Agreement or
 22 this Act.

23 SEC. 8. MISCELLANEOUS PROVISIONS.

24 (a) WAIVER OF SOVEREIGN IMMUNITY.—If any party
25 to the Settlement Agreement, an agreement described in

13

14

15

16

17

- 1 paragraph (1), (2), or (3) of section 4(c), a Pumping Pro-
- 2 tection Agreement, or a landowner or water user in the
- 3 Little Colorado River basin in Arizona, files a lawsuit only
- 4 relating directly to the interpretation or enforcement of
- 5 this Act, the Settlement Agreement, an agreement de-
- 6 seribed in paragraph (1), (2), or (3) of section 4(e), or
- 7 a Pumping Protection Agreement, naming the United
- 8 States or the Tribe as a party—
- 9 (1) the United States, the Tribe, or both may
- be added as a party to any such litigation, and any
- 11 claim by the United States or the Tribe to sovereign
- 12 immunity from such suit is hereby waived, other
- than with respect to claims for monetary awards ex-
- 14 cept as specifically provided for in the Settlement
- 15 Agreement; and
- 16 (2) the Tribe may waive its sovereign immunity
- 17 from suit in the Superior Court of Apache County,
- Arizona for the limited purposes of enforcing the
- 19 terms of the Intergovernmental Agreement, and any
- 20 intergovernmental agreement required to be entered
- 21 into by the Tribe under the terms of the Intergov-
- 22 ernmental Agreement, other than with respect to
- 23 claims for monetary awards except as specifically
- 24 provided in the Intergovernmental Agreement.
- 25 (b) Tribal Use of Water.—

1	(1) In General.—With respect to water rights
2	made available under the Settlement Agreement and
3	used on the Zuni Heaven Reservation—
4	(A) such water rights shall be held in trust
5	by the United States in perpetuity, and shall
6	not be subject to forfeiture or abandonment;
7	(B) State law shall not apply to water uses
8	on the Reservation;
9	(C) the State of Arizona may not regulate
10	or tax such water rights or uses (except that
11	the court with jurisdiction over the decree en-
12	tered pursuant to the Settlement Agreement or
13	the Norviel Decree Court may assess adminis-
14	trative fees for delivery of this water);
15	(D) subject to paragraph 7.7 of the Settle-
16	ment Agreement, the Zuni Tribe shall use
17	water made available to the Zuni Tribe under
18	the Settlement Agreement on the Zuni Heaven
19	Reservation for any use it deems advisable;
20	(E) water use by the Zuni Tribe or the
21	United States on behalf of the Zuni Tribe for
22	wildlife or instream flow use, or for irrigation to
23	establish or maintain wetland on the Reserva-
24	tion, shall be considered to be consistent with
25	the purposes of the Reservation; and

(F)(i) not later than 3 years after the deadline described in section 9(b), the Zuni Tribe shall adopt a water code for regulation of water use on the lands identified in subsections (a) and (b) of section 5 that is reasonably equivalent to State water law (including statutes relating to dam safety and groundwater management); and

(ii) until such date as the Zuni Tribe adopts a water code described in clause (i), the Secretary, in consultation with the State of Arizona, shall administer water use and water regulation on lands described in that clause in a manner that is reasonably equivalent to State law.

(2) Limitation.—

(A) In GENERAL.—Except as provided in subparagraph (B), the Zuni Tribe or the United States shall not sell, lease, transfer, or transport water made available for use on the Zuni Heaven Reservation to any other place.

(B) EXCEPTION.—Water made available to the Zuni Tribe or the United States for use on the Zuni Heaven Reservation may be severed and transferred from the Reservation to other

Zuni Lands if the severance and transfer is accomplished in accordance with State law (and once transferred to any lands held in fee, such water shall be subject to State law).

- 5 (e) RIGHTS-OF-WAY.—Federal laws (including regulations) concerning the granting of easements and rightsof-way shall apply to the lands identified in subsections 8 (a) and (b) of section 5, but the United States and the Zuni Tribe shall not unreasonably withhold consent for 10 easements and rights-of-way for roads, utilities, and other necessary accommodations for adjoining landowners 11 across the lands identified in subsection (a) or (b) of section 5 unless such easements and rights-of-way will cause significant and substantial harm to the Tribe's wetland restoration project or religious practices. If such harm is anticipated, the Zuni Tribe shall negotiate in good faith with the entity seeking the easements or rights-of-way for a reasonable accommodation of their mutual interests. 18
- 19 (d) CERTAIN CLAIMS PROHIBITED.—The United
 20 States shall make no claims for reimbursement of costs
 21 arising out of the implementation of this Act or the Settle22 ment Agreement against any Indian-owned land within the
 23 Tribe's Reservation, and no assessment shall be made in
 24 regard to such costs against such lands.

- 1 (e) Vested Rights.—Except as described in para-
- 2 graph 5.3 of the Settlement Agreement (recognizing the
- 3 Zuni Tribe's use of 1,500 acre-feet per annum of ground-
- 4 water) this Act and the Settlement Agreement do not cre-
- 5 ate any vested right to groundwater under Federal or
- 5 State law, or any priority to the use of groundwater that
- 7 would be superior to any other right or use of groundwater
- 8 under Federal or State law, whether through this Act, the
- 9 Settlement Agreement, or by incorporation of any ab-
- 10 stract, agreement, or stipulation prepared under the Set-
- 11 tlement Agreement. Notwithstanding the preceding sen-
- 12 tence, the rights of parties to the agreements referred to
- 13 in paragraph (1), (2), or (3) of section 4(e) and paragraph
- 14 5.8 of the Settlement Agreement, as among themselves,
- 15 shall be as stated in those agreements.
- 16 (f) OTHER CLAIMS.—Nothing in the Settlement
- 17 Agreement or this Act quantifies or otherwise affects the
- 18 water rights, claims, or entitlements to water of any In-
- 19 dian tribe, band, or community, other than the Zuni In-
- 20 dian Tribe.
- 21 (g) No Major Federal Action.—Execution of the
- 22 Settlement Agreement by the Secretary as provided for in
- 23 section 4(a) shall not constitute major Federal action
- 24 under the National Environmental Policy Act (42 U.S.C.
- 25 4321 et seq.). The Secretary shall comply with that Act

I	and shall carry out any other necessary environmental
2	compliance during the implementation phase of this settle-
3	ment.
4	SEC. 9. EFFECTIVE DATE FOR WAIVER AND RELEASE AU-
5	THORIZATIONS.
6	(a) In General.—The waiver and release authoriza-
7	tions contained in subsections (b) and (c) of section 7 shall
8	become effective as of the date the Secretary causes to
9	be published in the Federal Register a statement of all
10	the following findings:
11	(1) This Act has been enacted in a form ap-
12	proved by the parties in paragraph 3.1.A of the Set-
13	tlement Agreement.
14	(2) The funds authorized by section 4(b) have
15	been appropriated and deposited into the Fund.
16	(3) The State of Arizona has appropriated and
17	deposited into the Fund the amount required by
18	paragraph 7.6 of the Settlement Agreement.
19	(4) The Zuni Indian Tribe has either purchased
20	or acquired the right to purchase at least 2,350
21	acre-feet per annum of surface water rights, or
22	waived this condition as provided in paragraph 3.2
23	of the Settlement Agreement.
24	(5) Pursuant to subparagraph 3.1.D of the Set-
25	tlement Agreement, the severance and transfer of

- surface water rights that the Tribe owns or has the right to purchase have been conditionally approved, or the Tribe has waived this condition as provided in paragraph 3.2 of the Settlement Agreement.
 - (6) Pursuant to subparagraph 3.1.E of the Settlement Agreement, the Tribe and Lyman Water Company have executed an agreement relating to the process of the severance and transfer of surface water rights acquired by the Zuni Tribe or the United States, the pass-through, use, or storage of the Tribe's surface water rights in Lyman Lake, and the operation of Lyman Dam.
 - (7) Pursuant to subparagraph 3.1.F of the Settlement Agreement, all the parties to the Settlement Agreement have agreed and stipulated to certain Arizona Game and Fish abstracts of water uses.
 - (8) Pursuant to subparagraph 3.1.G of the Settlement Agreement, all parties to the Settlement Agreement have agreed to the location of an observation well and that well has been installed.
 - (9) Pursuant to subparagraph 3.1.H of the Settlement Agreement, the Zuni Tribe, Apache County, Arizona and the State of Arizona have executed an Intergovernmental Agreement that satisfies all of

- the conditions in paragraph 6.2 of the Settlement
 Agreement.
- 3 (10) The Zuni Tribe has acquired title to the
 4 section of land adjacent to the Zuni Heaven Res5 ervation described as Section 34, Township 14
 6 North, Range 26 East, Gila and Salt River Base
 7 and Meridian.
 - (11) The Settlement Agreement has been modified if and to the extent it is in conflict with this Act and such modification has been agreed to by all the parties to the Settlement Agreement.
- 12 (12) A court of competent jurisdiction has ap-13 proved the Settlement Agreement by a final judg-14 ment and decree.
- (b) DEADLINE FOR EFFECTIVE DATE.—If the publication in the Federal Register required under subsection (a) has not occurred by December 31, 2005, sections 4 and 5, and any agreements entered into pursuant to sections 4 and 5 (including the Settlement Agreement and the Intergovernmental Agreement) shall not thereafter be effective and shall be null and void. Any funds and the interest accrued thereon appropriated pursuant to section 4(b)(2) shall revert to the Treasury, and any funds and the interest accrued thereon appropriated pursuant to

9

10

- 1 paragraph 7.6 of the Settlement Agreement shall revert
- 2 to the State of Arizona.
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Zuni Indian Tribe
- 5 Water Rights Settlement Act of 2002".
- 6 SEC. 2. FINDINGS AND PURPOSES.
- 7 (a) FINDINGS.—Congress makes the following findings:
- 8 (1) It is the policy of the United States, in keep-9 ing with its trust responsibility to Indian tribes, to
- 10 promote Indian self-determination, religious freedom,
- 11 political and cultural integrity, and economic self-suf-
- 12 ficiency, and to settle, wherever possible, the water
- 13 rights claims of Indian tribes without lengthy and
- 14 costly litigation.
- 15 (2) Quantification of rights to water and devel-
- opment of facilities needed to use tribal water sup-
- plies effectively is essential to the development of via-
- 18 ble Indian reservation communities, particularly in
- 19 arid western States.
- 20 (3) On August 28, 1984, and by actions subse-
- 21 quent thereto, the United States established a reserva-
- 22 tion for the Zuni Indian Tribe in Apache County,
- 23 Arizona upstream from the confluence of the Little
- 24 Colorado and Zuni Rivers for long-standing religious
- 25 and sustenance activities.

- 1 (4) The water rights of all water users in the
 2 Little Colorado River basin in Arizona have been in
 3 litigation since 1979, in the Superior Court of the
 4 State of Arizona in and for the County of Apache in
 5 Civil No. 6417, In re The General Adjudication of All
 6 Rights to Use Water in the Little Colorado River System and Source.
 - (5) Recognizing that the final resolution of the Zuni Indian Tribe's water claims through litigation will take many years and entail great expense to all parties, continue to limit the Tribe's access to water with economic, social, and cultural consequences to the Tribe, prolong uncertainty as to the availability of water supplies, and seriously impair the long-term economic planning and development of all parties, the Tribe and neighboring non-Indians have sought to settle their disputes to water and reduce the burdens of litigation.
 - (6) After more than 4 years of negotiations, which included participation by representatives of the United States, the Zuni Indian Tribe, the State of Arizona, and neighboring non-Indian communities in the Little Colorado River basin, the parties have entered into a Settlement Agreement to resolve all of the Zuni Indian Tribe's water rights claims and to assist

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

- the Tribe in acquiring surface water rights, to provide for the Tribe's use of groundwater, and to provide for the wetland restoration of the Tribe's lands in Arizona.
 - (7) To facilitate the wetland restoration project contemplated under the Settlement Agreement, the Zuni Indian Tribe acquired certain lands along the Little Colorado River near or adjacent to its Reservation that are important for the success of the project and will likely acquire a small amount of similarly situated additional lands. The parties have agreed not to object to the United States taking title to certain of these lands into trust status; other lands shall remain in tribal fee status. The parties have worked extensively to resolve various governmental concerns regarding use of and control over those lands, and to provide a successful model for these types of situations, the State, local, and tribal governments intend to enter into an Intergovernmental Agreement that addresses the parties' governmental concerns.
 - (8) Pursuant to the Settlement Agreement, the neighboring non-Indian entities will assist in the Tribe's acquisition of surface water rights and development of groundwater, store surface water supplies for the Zuni Indian Tribe, and make substantial ad-

1	ditional contributions to carry out the Settlemen
2	Agreement's provisions.
3	(9) To advance the goals of Federal Indian pol
4	icy and consistent with the trust responsibility of the
5	United States to the Tribe, it is appropriate that the
6	United States participate in the implementation of
7	the Settlement Agreement and contribute funds for the
8	rehabilitation of religious riparian areas and other
9	purposes to enable the Tribe to use its water entitle
10	ment in developing its Reservation.
11	(b) Purposes.—The purposes of this Act are—
12	(1) to approve, ratify, and confirm the Settle
13	ment Agreement entered into by the Tribe and neigh
14	boring non-Indians;
15	(2) to authorize and direct the Secretary of the
16	Interior to execute and perform the Settlement Agree
17	ment and related waivers;
18	(3) to authorize and direct the United States to
19	take legal title and hold such title to certain lands in
20	trust for the benefit of the Zuni Indian Tribe; and
21	(4) to authorize the actions, agreements, and ap-
22	propriations as provided for in the Settlement Agree
23	ment and this Act.
24	SEC. 3. DEFINITIONS.
25	In this Act:

- 1 (1) EASTERN LCR BASIN.—The term "Eastern
 2 LCR basin" means the portion of the Little Colorado
 3 River basin in Arizona upstream of the confluence of
 4 Silver Creek and the Little Colorado River, as identi5 fied on Exhibit 2.10 of the Settlement Agreement.
 - (2) Fund.—The term "Fund" means the Zuni Indian Tribe Water Rights Development Fund established by section 6(a).
 - (3) Intergovernmental Agreement" means the intergovernmental Agreement" means the intergovernmental agreement between the Zuni Indian Tribe, Apache County, Arizona and the State of Arizona described in article 6 of the Settlement Agreement.
 - (4) Pumping Protection Agreement" means an agreement, described in article 5 of the Settlement Agreement, between the Zuni Tribe, the United States on behalf of the Tribe, and a local landowner under which the landowner agrees to limit pumping of groundwater on his lands in exchange for a waiver of certain claims by the Zuni Tribe and the United States on behalf of the Tribe.
- 24 (5) Reservation; Zuni Heaven reserva-25 Tion.—The term "Reservation" or "Zuni Heaven

- Reservation", also referred to as "Kolhu:wala:wa",
 means the following property in Apache County, Arizona: Sections 26, 27, 28, 33, 34, and 35, Township

 North, Range 26 East, Gila and Salt River Base
 and Meridian; and Sections 2, 3, 4, 9, 10, 11, 13,

 14, 15, 16, 23, 26, and 27, Township 14 North, Range
 East, Gila and Salt River Base and Meridian.
 - (6) Secretary.—The term "Secretary" means the Secretary of the Interior.
 - tlement Agreement" means that agreement dated June 7, 2002, together with all exhibits thereto. The parties to the Settlement Agreement include the Zuni Indian Tribe and its members, the United States on behalf of the Tribe and its members, the State of Arizona, the Arizona Game and Fish Commission, the Arizona State Land Department, the Arizona State Parks Board, the St. Johns Irrigation and Ditch Co., the Lyman Water Co., the Round Valley Water Users' Association, the Salt River Project Agricultural Improvement and Power District, the Tucson Electric Power Company, the City of St. Johns, the Town of Eagar, and the Town of Springerville.
 - (8) SRP.—The term "SRP" means the Salt River Project Agricultural Improvement and Power

1	District, a political subdivision of the State of Ari-
2	zona.
3	(9) TEP.—The term "TEP" means Tucson Elec-
4	tric Power Company.
5	(10) Tribe, zuni tribe, or zuni indian
6	TRIBE.—The terms "Tribe", "Zuni Tribe", or "Zuni
7	Indian Tribe" means the body politic and federally
8	recognized Indian nation, and its members.
9	(11) Zuni Lands.—The term "Zuni Lands"
10	means all the following lands, in the State of Arizona,
11	that, on the effective date described in section 9(a),
12	are—
13	(A) within the Zuni Heaven Reservation;
14	(B) held in trust by the United States for
15	the benefit of the Tribe or its members; or
16	(C) held in fee within the Little Colorado
17	River basin by or for the Tribe.
18	SEC. 4. AUTHORIZATION, RATIFICATIONS, AND CONFIRMA-
19	TIONS.
20	(a) Settlement Agreement.—To the extent the Set-
21	tlement Agreement does not conflict with the provisions of
22	this Act, such Settlement Agreement is hereby approved,
23	ratified, confirmed, and declared to be valid. The Secretary
24	is authorized and directed to execute the Settlement Agree-
25	ment and any amendments approved by the parties nec-

- 1 essary to make the Settlement Agreement consistent with
- 2 this Act. The Secretary is further authorized to perform any
- 3 actions required by the Settlement Agreement and any
- 4 amendments to the Settlement Agreement that may be mu-
- 5 tually agreed upon by the parties to the Settlement Agree-
- 6 ment.
- 7 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
- 8 authorized to be appropriated to the Zuni Indian Tribe
- 9 Water Rights Development Fund established in section 6(a),
- 10 \$19,250,000, to be allocated by the Secretary as follows:
- 11 (1) \$3,500,000 for fiscal year 2004, to be used for
- 12 the acquisition of water rights and associated lands,
- and other activities carried out, by the Zuni Tribe to
- 14 facilitate the enforceability of the Settlement Agree-
- 15 ment, including the acquisition of at least 2,350 acre-
- 16 feet per year of water rights before the deadline de-
- 17 scribed in section 9(b).
- 18 (2) \$15,750,000, of which \$5,250,000 shall be
- made available for each of fiscal years 2004, 2005,
- and 2006, to take actions necessary to restore, reha-
- 21 bilitate, and maintain the Zuni Heaven Reservation.
- including the Sacred Lake, wetlands, and riparian
- areas as provided for in the Settlement Agreement
- 24 and under this Act.

1	(c) Other Agreements.—Except as provided in sec-
2	tion 9, the following 3 separate agreements, together with
3	all amendments thereto, are approved, ratified, confirmed,
4	and declared to be valid:
5	(1) The agreement between SRP, the Zuni Tribe,
6	and the United States on behalf of the Tribe, dated
7	June 7, 2002.
8	(2) The agreement between TEP, the Zuni Tribe,
9	and the United States on behalf of the Tribe, dated
10	June 7, 2002.
11	(3) The agreement between the Arizona State
12	Land Department, the Zuni Tribe, and the United
13	States on behalf of the Tribe, dated June 7, 2002.
14	SEC. 5. TRUST LANDS.
15	(a) New Trust Lands.—Upon satisfaction of the con-
16	ditions in paragraph 6.2 of the Settlement Agreement, and
17	after the requirements of section 9(a) have been met, the
18	Secretary shall take the legal title of the following lands
19	into trust for the benefit of the Zuni Tribe:
20	(1) In T. 14 N., R. 27 E., Gila and Salt River
21	Base and Meridian:
22	(A) Section 13: SW 1/4, S 1/2 NE 1/4 SE
23	1/4, W 1/2 SE 1/4, SE 1/4 SE 1/4;

1	(B) Section 23: N 1/2, N 1/2 SW 1/4, N 1/
2	2 SE 1/4, SE 1/4 SE 1/4, N 1/2 SW 1/4 SE 1/
3	4, SE 1/4 SW 1/4 SE 1/4;
4	(C) Section 24: NW 1/4, SW 1/4, S 1/2 NE
5	1/4, N 1/2 SE 1/4; and
6	(D) Section 25: N 1/2 NE 1/4, SE 1/4 NE
7	1/4, NE 1/4 SE 1/4.
8	(2) In T. 14 N., R. 28 E., Gila and Salt River
9	Base and Meridian:
10	(A) Section 19: W 1/2 E 1/2 NW 1/4, W 1/
11	2 NW 1/4, W 1/2 NE 1/4 SW 1/4, NW 1/4 SW
12	1/4, S 1/2 SW 1/4;
13	(B) Section 29: SW 1/4 SW 1/4 NW 1/4,
14	NW 1/4 NW 1/4 SW 1/4, S 1/2 N 1/2 SW 1/4,
15	S 1/2 SW1/4, S 1/2 NW 1/4 SE 1/4, SW 1/4 SE
16	1/4;
17	(C) Section 30: W 1/2, SE 1/4; and
18	(D) Section 31: N 1/2 NE 1/4, N 1/2 S 1/
19	2 NE 1/4, S 1/2 SE 1/4 NE 1/4, NW 1/4, E 1/
20	2 SW 1/4, N 1/2 NW 1/4 SW 1/4, SE 1/4 NW
21	1/4 SW 1/4, E 1/2 SW 1/4 SW 1/4, SW 1/4 SW
22	1/4 SW 1/4.
23	(b) Future Trust Lands.—Upon satisfaction of the
24	conditions in paragraph 6.2 of the Settlement Agreement,
25	after the requirements of section 9(a) have been met, and

```
upon acquisition by the Zuni Tribe, the Secretary shall take
   the legal title of the following lands into trust for the benefit
   of the Zuni Tribe:
 3
 4
             (1) In T. 14 N., R. 26E., Gila and Salt River
        Base and Meridian: Section 25: N 1/2 NE 1/4, N
 5
        1/2 S 1/2 NE 1/4, NW 1/4, N 1/2 NE 1/4 SW 1/4,
 6
 7
        NE 1/4 NW 1/4 SW 1/4.
 8
             (2) In T. 14 N., R. 27 E., Gila and Salt River
 9
        Base and Meridian:
10
                 (A) Section 14: SE 1/4 SW 1/4, SE 1/4;
11
                 (B) Section 16: S 1/2 SW 1/4 SE 1/4;
12
                 (C) Section 19: S 1/2 SE 1/4 SE 1/4;
13
                 (D) Section 20: S 1/2 SW 1/4 SW 1/4, E
14
             1/2 SE 1/4 SE 1/4;
15
                 (E) Section 21: N 1/2 NE 1/4, E 1/2 NE
16
             1/4 NW 1/4, SE 1/4 NW 1/4, W 1/2 SW 1/4 NE
17
             1/4, N 1/2 NE 1/4 SW 1/4, SW 1/4 NE 1/4 SW
18
             1/4, E 1/2 NW 1/4 SW 1/4, SW 1/4 NW 1/4 SW
19
             1/4, W 1/2 SW 1/4 SW 1/4;
20
                 (F) Section 22: SW 1/4 NE 1/4 NE 1/4, NW
21
             1/4 NE 1/4, S 1/2 NE 1/4, N 1/2 NW 1/4, SE
22
             1/4 NW1/4, N 1/2 SW 1/4 NW 1/4, SE 1/4 SW
23
             1/4 NW 1/4, N 1/2 N 1/2 SE 1/4, N 1/2 NE
24
             1/4 SW 1/4;
```

1	(G) Section 24: N 1/2 NE 1/4, S 1/2 SE
2	1/4;
3	(H) Section 29: N 1/2 N 1/2;
4	(I) Section 30: N 1/2 N 1/2, N 1/2 S 1/2
5	NW 1/4, N 1/2 SW 1/4 NE 1/4; and
6	(J) Section 36: SE 1/4 SE 1/4 NE 1/4, NE
7	1/4 NE 1/4 SE 1/4.
8	(3) In T. 14 N., R. 28 E., Gila and Salt River
9	Base and Meridian:
10	(A) Section 18: S 1/2 NE 1/4, NE 1/4 SW
11	1/4, NE 1/4 NW 1/4 SW 1/4, S 1/2 NW 1/4 SW
12	1/4, S 1/2 SW 1/4, N 1/2 SE 1/4, N 1/2 SW
13	1/4 SE 1/4, SE 1/4 SE 1/4;
14	(B) Section 30: S 1/2 NE 1/4, W 1/2 NW
15	1/4 NE 1/4; and
16	(C) Section 32: N 1/2 NW 1/4 NE 1/4, SW
17	1/4 NE 1/4, S 1/2 SE 1/4 NE 1/4, NW 1/4, SW
18	1/4, N 1/2 SE 1/4, SW 1/4 SE 1/4, N 1/2 SE
19	1/4 SE 1/4, SW 1/4 SE 1/4 SE 1/4.
20	(c) New Reservation Lands.—Upon satisfaction of
21	the conditions in paragraph 6.2 of the Settlement Agree-
22	ment, after the requirements of section 9(a) have been met,
23	and upon acquisition by the Zuni Tribe, the Secretary shall
24	take the legal title of the following lands in Arizona into
25	trust for the benefit of the Zuni Tribe and make such lands

- 1 part of the Zuni Indian Tribe Reservation in Arizona: Sec-
- 2 tion 34, T. 14 N., R. 26 E., Gila and Salt River Base and
- 3 Meridian.
- 4 (d) Limitation on Secretarial Discretion.—The
- 5 Secretary shall have no discretion regarding the acquisi-
- 6 tions described in subsections (a), (b), and (c).
- 7 (e) Lands Remaining in Fee Status.—The Zuni
- 8 Tribe may seek to have the legal title to additional lands
- 9 in Arizona, other than the lands described in subsection (a),
- 10 (b), or (c), taken into trust by the United States for the
- 11 benefit of the Zuni Indian Tribe pursuant only to an Act
- 12 of Congress enacted after the date of enactment of this Act
- 13 specifically authorizing the transfer for the benefit of the
- 14 Zuni Tribe.
- 15 (f) Final Agency Action.—Any written certification
- 16 by the Secretary under subparagraph 6.2.B of the Settle-
- 17 ment Agreement constitutes final agency action under the
- 18 Administrative Procedure Act and is reviewable as provided
- 19 for under chapter 7 of title 5, United States Code.
- 20 (g) No Federal Water Rights.—Lands taken into
- 21 trust pursuant to subsection (a), (b), or (c) shall not have
- $22\ \ \textit{Federal reserved rights to surface water or groundwater}.$
- 23 (h) State Water Rights.—The water rights and
- 24 uses for the lands taken into trust pursuant to subsection
- 25 (a) or (c) must be determined under subparagraph 4.1.A

- 1 and article 5 of the Settlement Agreement. With respect to
- 2 the lands taken into trust pursuant to subsection (b), the
- 3 Zuni Tribe retains any rights or claims to water associated
- 4 with these lands under State law, subject to the terms of
- 5 the Settlement Agreement.
- 6 (i) Forfeiture and Abandonment.—Water rights
- 7 that are appurtenant to lands taken into trust pursuant
- 8 to subsection (a), (b), or (c) shall not be subject to forfeiture
- 9 and abandonment.
- 10 (j) AD VALOREM TAXES.—With respect to lands that
- 11 are taken into trust pursuant to subsection (a) or (b), the
- 12 Zuni Tribe shall make payments in lieu of all current and
- 13 future State, county, and local ad valorem property taxes
- 14 that would otherwise be applicable to those lands if they
- 15 were not in trust.
- 16 (k) AUTHORITY OF TRIBE.—For purposes of com-
- 17 plying with this section and article 6 of the Settlement
- 18 Agreement, the Tribe is authorized to enter into—
- 19 (1) the Intergovernmental Agreement between the
- 20 Zuni Tribe, Apache County, Arizona, and the State
- 21 of Arizona; and
- 22 (2) any intergovernmental agreement required to
- be entered into by the Tribe under the terms of the
- 24 Intergovernmental Agreement.

1	(1) Federal Acknowledgement of Intergovern-
2	MENTAL AGREEMENTS.—
3	(1) In general.—The Secretary shall acknowl-
4	edge the terms of any intergovernmental agreement
5	entered into by the Tribe under this section.
6	(2) No abrogation.—The Secretary shall not
7	seek to abrogate, in any administrative or judicial ac-
8	tion, the terms of any intergovernmental agreement
9	that are consistent with subparagraph 6.2.A of the
10	Settlement Agreement and this Act.
11	(3) Removal.—
12	(A) In general.—Except as provided in
13	subparagraph (B), if a judicial action is com-
14	menced during a dispute over any intergovern-
15	mental agreement entered into under this section,
16	and the United States is allowed to intervene in
17	such action, the United States shall not remove
18	such action to the Federal courts.
19	(B) Exception.—The United States may
20	seek removal if—
21	(i) the action concerns the Secretary's
22	decision regarding the issuance of rights-of-
23	$way\ under\ section\ 8(c);$

1	(ii) the action concerns the authority of
2	a Federal agency to administer programs or
3	the issuance of a permit under—
4	(I) the Federal Water Pollution
5	Control Act (33 U.S.C. 1251 et seq.);
6	(II) the Safe Drinking Water Act
7	(42 U.S.C. 300f et seq.);
8	(III) the Clean Air Act (42 U.S.C.
9	7401 et seq.); or
10	(IV) any other Federal law spe-
11	cifically addressed in intergovern-
12	mental agreements; or
13	(iii) the intergovernmental agreement
14	is inconsistent with a Federal law for the
15	protection of civil rights, public health, or
16	welfare.
17	(m) Rule of Construction.—Nothing in this Act
18	shall be construed to affect the application of the Act of May
19	25, 1918 (25 U.S.C. 211) within the State of Arizona.
20	(n) Disclaimer.—Nothing in this section repeals,
21	modifies, amends, changes, or otherwise affects the Sec-
22	retary's obligations to the Zuni Tribe pursuant to the Act
23	entitled "An Act to convey certain lands to the Zuni Indian
24	Tribe for religious purposes" approved August 28, 1984
25	(Public Law 98-408; 98 Stat. 1533) (and as amended by

1	the Zuni Land Conservation Act of 1990 (Public Law 101-
2	486; 104 Stat. 1174)).
3	SEC. 6. DEVELOPMENT FUND.
4	(a) Establishment of the Fund.—
5	(1) In general.—There is established in the
6	Treasury of the United States a fund to be known as
7	the "Zuni Indian Tribe Water Rights Development
8	Fund", to be managed and invested by the Secretary,
9	consisting of—
10	(A) the amounts authorized to be appro-
11	priated in section 4(b); and
12	(B) the appropriation to be contributed by
13	the State of Arizona pursuant to paragraph 7.6
14	of the Settlement Agreement.
15	(2) Additional deposits.—The Secretary shall
16	deposit in the Fund any other monies paid to the Sec-
17	retary on behalf of the Zuni Tribe pursuant to the
18	Settlement Agreement.
19	(b) Management of the Fund.—The Secretary shall
20	manage the Fund, make investments from the Fund, and
21	make monies available from the Fund for distribution to
22	the Zuni Tribe consistent with the American Indian Trust
23	Fund Management Reform Act of 1994 (25 U.S.C. 4001 et
24	seq.) (referred to in this section as the "Trust Fund Reform
25	Act"), this Act, and the Settlement Agreement.

1	(c) Investment of the Fund.—The Secretary shall
2	invest amounts in the Fund in accordance with—
3	(1) the Act of April 1, 1880 (21 Stat. 70, ch. 41,
4	25 U.S.C. 161);
5	(2) the first section of the Act of June 24, 1938
6	(52 Stat. 1037, ch. 648, 25 U.S.C. 162a); and
7	(3) subsection (b).
8	(d) Availability of Amounts From the Fund.—
9	The funds authorized to be appropriated pursuant to sec-
10	tion 4(b)(2) and funds contributed by the State of Arizona
11	pursuant to paragraph 7.6 of the Settlement Agreement
12	shall be available for expenditure or withdrawal only after
13	the requirements of section 9(a) have been met.
14	(e) Expenditures and Withdrawal.—
15	(1) Tribal management plan.—
16	(A) In General.—The Zuni Tribe may
17	withdraw all or part of the Fund on approval by
18	the Secretary of a tribal management plan as de-
19	scribed in the Trust Fund Reform Act.
20	(B) Requirements.—In addition to the
21	requirements under the Trust Fund Reform Act,
22	the tribal management plan shall require that
23	the Zuni Tribe spend any funds in accordance
24	with the purposes described in section 4(b).

- (2) Enforcement.—The Secretary may take judicial or administrative action to enforce the provisions of any tribal management plan to ensure that any monies withdrawn from the Fund under the plan are used in accordance with this Act.
 - (3) Liability.—If the Zuni Tribe exercises the right to withdraw monies from the Fund, neither the Secretary nor the Secretary of the Treasury shall retain any liability for the expenditure or investment of the monies withdrawn.

(4) Expenditure plan.—

- (A) In General.—The Zuni Tribe shall submit to the Secretary for approval an expenditure plan for any portion of the funds made available under this Act that the Zuni Tribe does not withdraw under this subsection.
- (B) DESCRIPTION.—The expenditure plan shall describe the manner in which, and the purposes for which, funds of the Zuni Tribe remaining in the Fund will be used.
- (C) APPROVAL.—On receipt of an expenditure plan under subparagraph (A), the Secretary shall approve the plan if the Secretary determines that the plan is reasonable and consistent with this Act.

1 (5) Annual report.—The Zuni Tribe shall sub-2 mit to the Secretary an annual report that describes 3 all expenditures from the Fund during the year cov-4 ered by the report.

(f) Funds for Acquisition of Water Rights.—

- (1) WATER RIGHTS ACQUISITIONS.—Notwithstanding subsection (e), the funds authorized to be appropriated pursuant to section 4(b)(1)—
 - (A) shall be available upon appropriation for use in accordance with section 4(b)(1); and
 - (B) shall be distributed by the Secretary to the Zuni Tribe on receipt by the Secretary from the Zuni Tribe of a written notice and a tribal council resolution that describe the purposes for which the funds will be used.
- (2) RIGHT TO SET OFF.—In the event the requirements of section 9(a) have not been met and the Settlement Agreement has become null and void under section 9(b), the United States shall be entitled to set off any funds expended or withdrawn from the amount appropriated pursuant to section 4(b)(1), together with any interest accrued, against any claims asserted by the Zuni Tribe against the United States relating to water rights at the Zuni Heaven Reservation.

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

1	(3) Water rights acquired
2	with funds described in paragraph (1) shall be cred-
3	ited against any water rights secured by the Zuni
4	Tribe, or the United States on behalf of the Zuni
5	Tribe, for the Zuni Heaven Reservation in the Little
6	Colorado River General Stream Adjudication or in
7	any future settlement of claims for those water rights.
8	(g) No Per Capita Distributions.—No part of the
9	Fund shall be distributed on a per capita basis to members
10	of the Zuni Tribe.
11	SEC. 7. CLAIMS EXTINGUISHMENT; WAIVERS AND RE-
12	LEASES.
13	(a) Full Satisfaction of Members' Claims.—
14	(1) In general.—The benefits realized by the
15	Tribe and its members under this Act, including re-
16	tention of any claims and rights, shall constitute full
17	and complete satisfaction of all members' claims for—
18	(A) water rights under Federal, State, and
19	other laws (including claims for water rights in
20	groundwater, surface water, and effluent) for
21	Zuni Lands from time immemorial through the
22	effective date described in section 9(a) and any
23	time thereafter; and
24	(B) injuries to water rights under Federal,
25	State, and other laws (including claims for

water rights in groundwater, surface water, and
effluent, claims for damages for deprivation of
water rights, and claims for changes to underground water table levels) for Zuni Lands from
time immemorial through the effective date described in section 9(a).

- (2) No recognition or establishment of in-DIVIDUAL WATER RIGHT.—Nothing in this Act recognizes or establishes any right of a member of the Tribe to water on the Reservation.
- 11 (b) Tribe and United States Authorization and 12 Water Quantity Waivers.—The Tribe, on behalf of itself and its members and the Secretary on behalf of the United 13 14 States in its capacity as trustee for the Zuni Tribe and 15 its members, are authorized, as part of the performance of their obligations under the Settlement Agreement, to execute 16 a waiver and release, subject to paragraph 11.4 of the Settlement Agreement, for claims against the State of Arizona, 18 19 or any agency or political subdivision thereof, or any other person, entity, corporation, or municipal corporation, 20 21 under Federal, State, or other law for any and all—
 - (1) past, present, and future claims to water rights (including water rights in groundwater, surface water, and effluent) for Zuni Lands from time immemorial through the effective date described in section

7

8

9

10

22

23

24

- 9(a) and any time thereafter, except for claims within
 the Zuni Protection Area as provided in article 5 of
 the Settlement Agreement;
 - (2) past and present claims for injuries to water rights (including water rights in groundwater, surface water, and effluent and including claims for damages for deprivation of water rights and any claims for changes to underground water table levels) for Zuni Lands from time immemorial through the effective date described in section 9(a); and
 - rights and injuries to water rights (including water rights in groundwater, surface water, and effluent and including any claims for damages for deprivation of water rights and any claims for changes to underground water table levels) from time immemorial through the effective date described in section 9(a), and any time thereafter, for lands outside of Zuni Lands but located within the Little Colorado River basin in Arizona, based upon aboriginal occupancy of lands by the Zuni Tribe or its predecessors.
- 22 (c) Tribal Waivers Against the United 23 States.—The Tribe is authorized, as part of the perform-24 ance of its obligations under the Settlement Agreement, to 25 execute a waiver and release, subject to paragraphs 11.4

- 1 and 11.6 of the Settlement Agreement, for claims against
- 2 the United States (acting in its capacity as trustee for the
- 3 Zuni Tribe or its members, or otherwise acting on behalf
- 4 of the Zuni Tribe or its members), including any agencies,
- 5 officials, or employees thereof, for any and all—
- 6 (1) past, present, and future claims to water 7 rights (including water rights in groundwater, surface 8 water, and effluent) for Zuni Lands, from time im-9 memorial through the effective date described in sec-10 tion 9(a) and any time thereafter;
 - (2) past and present claims for injuries to water rights (including water rights in groundwater, surface water, and effluent and any claims for damages for deprivation of water rights) for Zuni Lands from time immemorial through the effective date described in section 9(a);
 - (3) past, present, and future claims for water rights and injuries to water rights (including water rights in groundwater, surface water, and effluent and any claims for damages for deprivation of water rights) from time immemorial through the effective date described in section 9(a), and any time thereafter, for lands outside of Zuni Lands but located within the Little Colorado River basin in Arizona.

12

13

14

15

16

17

18

19

20

21

22

23

1	based upon aboriginal occupancy of lands by the
2	Zuni Tribe or its predecessors;
3	(4) past and present claims for failure to protect,
4	acquire, or develop water rights of, or failure to pro-
5	tect water quality for, the Zuni Tribe within the Lit-
6	tle Colorado River basin in Arizona from time imme-
7	morial through the effective date described in section
8	9(a); and
9	(5) claims for breach of the trust responsibility
10	of the United States to the Zuni Tribe arising out of
11	the negotiation of the Settlement Agreement or this
12	Act.
13	(d) Tribal Waiver of Water Quality Claims and
14	Interference With Trust Claims.—
15	(1) Claims against the state and others.—
16	(A) Interference with trust responsi-
17	BILITY.—The Tribe, on behalf of itself and its
18	members, is authorized, as part of the perform-
19	ance of its obligations under the Settlement
20	Agreement, to waive and release all claims
21	against the State of Arizona, or any agency or
22	political subdivision thereof, or any other person,

 $entity, \ \ corporation, \ \ or \ \ municipal \ \ corporation$

under Federal, State, or other law, for claims of

interference with the trust responsibility of the

23

24

United States to the Zuni Tribe arising out of the negotiation of the Settlement Agreement or this Act.

- (B) Injury or threat of injury to water quality.—The Tribe, on behalf of itself and its members, is authorized, as part of the performance of its obligations under the Settlement Agreement, to waive and release, subject to paragraphs 11.4, 11.6, and 11.7 of the Settlement Agreement, all claims against the State of Arizona, or any agency or political subdivision thereof, or any other person, entity, corporation, or municipal corporation under Federal, State, or other law, for—
 - (i) any and all past and present claims, including natural resource damage claims under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.), or any other applicable statute, for injury to water quality accruing from time immemorial through the effective date described in section 9(a), for lands

1	within the Little Colorado River basin in
2	the State of Arizona; and
3	(ii) any and all future claims, includ-
4	ing natural resource damage claims under
5	the Comprehensive Environmental Re-
6	sponse, Compensation, and Liability Act of
7	1980 (42 U.S.C. 9601 et seq.), the Oil Pollu-
8	tion Act of 1990 (33 U.S.C. 2701 et seq.),
9	or any other applicable statute, for injury
10	or threat of injury to water quality, accru-
11	ing after the effective date described in sec-
12	tion 9(a), for any lands within the Eastern
13	LCR basin caused by—
14	(I) the lawful diversion or use of
15	surface water;
16	(II) the lawful withdrawal or use
17	of underground water, except within
18	the Zuni Protection Area, as provided
19	in article 5 of the Settlement Agree-
20	ment;
21	(III) the Parties' performance of
22	any obligations under the Settlement
23	Agreement;
24	(IV) the discharge of oil associated
25	with routine physical or mechanical

1	maintenance of wells or diversion
2	structures not inconsistent with appli-
3	$cable\ law;$
4	(V) the discharge of oil associated
5	with routine start-up and operation of
6	well pumps not inconsistent with ap-
7	plicable law; or
8	(VI) any combination of the
9	causes described in subclauses (I)
10	through (V).
11	(2) Claims of the united states.—The Tribe,
12	on behalf of itself and its members, is authorized to
13	waive its right to request that the United States
14	bring—
15	(A) any claims for injuries to water quality
16	under the natural resource damage provisions of
17	the Comprehensive Environmental Response,
18	Compensation, and Liability Act of 1980 (42
19	U.S.C. 9601 et seq.), the Oil Pollution Act of
20	1990 (33 U.S.C. 2701 et seq.) or any other appli-
21	cable statute, for lands within the Little Colo-
22	rado River Basin in the State of Arizona, accru-
23	ing from time immemorial through the effective
24	date described in section $9(a)$; and

1	(B) any future claims for injuries or threat						
2	of injury to water quality under the natural re-						
3	source damage provisions of the Comprehensive						
4	Environmental Response, Compensation, and Li-						
5	ability Act of 1980 (42 U.S.C. 9601 et seq.), the						
6	Oil Pollution Act of 1990 (33 U.S.C. 2701 et						
7	seq.), or any other applicable statute, accruing						
8	after the effective date described in section 9(a),						
9	for any lands within the Eastern LCR basin,						
10	caused by—						
11	(i) the lawful diversion or use of sur-						
12	face water;						
13	(ii) the lawful withdrawal or use of						
14	underground water, except within the Zuni						
15	Protection Area, as provided in article 5 of						
16	the Settlement Agreement;						
17	(iii) the Parties' performance of any						
18	obligations under the Settlement Agreement;						
19	(iv) the discharge of oil associated with						
20	routine physical or mechanical maintenance						
21	of wells or diversion structures not incon-						
22	sistent with applicable law;						
23	(v) the discharge of oil associated with						
24	routine start-up and operation of well						

1	pumps not inconsistent with applicable law;
2	or
3	(vi) any combination of the causes de-
4	scribed in clauses (i) through (v).
5	(3) Limitations.—Notwithstanding the author-
6	ization for the Tribe's waiver of future water quality
7	claims in paragraph $(1)(B)(ii)$ and the waiver in
8	paragraph (2)(B), the Tribe, on behalf of itself and its
9	members, retains any statutory claims for injury or
10	threat of injury to water quality under the Com-
11	prehensive Environmental Response, Compensation,
12	and Liability Act of 1980 (42 U.S.C. 9601 et seq.)
13	and the Oil Pollution Act of 1990 (33 U.S.C. 2701 et
14	seq.), as described in subparagraph $11.4(D)(3)$ and
15	(4) of the Settlement Agreement, that accrue at least
16	30 years after the effective date described in section
17	9(a).
18	(e) Waiver of United States Water Quality
19	CLAIMS RELATED TO SETTLEMENT LAND AND WATER.—
20	(1) Past and present claims.—As part of the
21	performance of its obligations under the Settlement
22	Agreement, the United States waives and releases,
23	subject to the retentions in paragraphs 11.4, 11.6 and
24	11.7 of the Settlement Agreement, all claims against
25	the State of Arizona, or any agency or political sub-

division thereof, or any other person, entity, corpora tion, or municipal corporation for—

(A) all past and present common law claims accruing from time immemorial through the effective date described in section 9(a) arising from or relating to water quality in which the injury asserted is to the Tribe's interest in water, trust land, and natural resources in the Little Colorado River basin in the State of Arizona; and

(B) all past and present natural resource damage claims accruing through the effective date described in section 9(a) arising from or relating to water quality in which the claim is based on injury to natural resources or threat to natural resources in the Little Colorado River basin in Arizona, only for those cases in which the United States, through the Secretary or other designated Federal official, would act on behalf of the Tribe as a natural resource trustee pursuant to the National Contingency Plan, as set forth, as of the date of enactment of this Act, in section 300.600(b)(2) of title 40, Code of Federal Regulations.

1	(2) FUTURE CLAIMS.—As part of the perform-
2	ance of its obligations under the Settlement Agree-
3	ment, the United States waives and releases, subject
4	to the retentions in paragraphs 11.4, 11.6 and 11.7
5	of the Settlement Agreement, the State of Arizona, or
6	any agency or political subdivision thereof, or any
7	other person, entity, corporation, or municipal cor-
8	poration for—
9	(A) all future common law claims arising
10	from or relating to water quality in which the
11	injury or threat of injury asserted is to the
12	Tribe's interest in water, trust land, and natural
13	resources in the Eastern LCR basin in Arizona
14	accruing after the effective date described in sec-
15	tion 9(a) caused by—
16	(i) the lawful diversion or use of sur-
17	face water;
18	(ii) the lawful withdrawal or use of
19	underground water, except within the Zuni
20	Protection Area, as provided in article 5 of
21	$the \ Settlement \ Agreement;$
22	(iii) the Parties' performance of any
23	obligations under the Settlement Agreement;
24	(iv) the discharge of oil associated with
25	routine physical or mechanical maintenance

1	of wells or diversion structures not incon-					
2	sistent with applicable law;					
3	(v) the discharge of oil associated with					
4	routine start-up and operation of well					
5	pumps not inconsistent with applicable law;					
6	or					
7	(vi) any combination of the causes de-					
8	scribed in clauses (i) through (v); and					
9	(B) all future natural resource damage					
10	claims accruing after the effective date described					
11	in section 9(a) arising from or relating to water					
12	quality in which the claim is based on injury to					
13	natural resources or threat to natural resources					
14	in the Eastern LCR basin in Arizona, only for					
15	those cases in which the United States, through					
16	the Secretary or other designated Federal official,					
17	would act on behalf of the Tribe as a natural re-					
18	source trustee pursuant to the National Contin-					
19	gency Plan, as set forth, as of the date of enact-					
20	ment of this Act, in section 300.600(b)(2) of title					
21	40, Code of Federal Regulations, caused by—					
22	(i) the lawful diversion or use of sur-					
23	face water;					
24	(ii) the lawful withdrawal or use of					
25	underground water, except within the Zuni					

1	Protection Area as provided in article 5 of				
2	$the \ Settlement \ Agreement;$				
3	(iii) the Parties' performance of their				
4	obligations under this Settlement Agree-				
5	ment;				
6	(iv) the discharge of oil associated with				
7	routine physical or mechanical maintenance				
8	of wells or diversion structures not incon-				
9	sistent with applicable law;				
10	(v) the discharge of oil associated with				
11	routine start-up and operation of well				
12	pumps not inconsistent with applicable law;				
13	or				
14	(vi) any combination of the causes de-				
15	scribed in clauses (i) through (v).				
16	(f) Effect.—Subject to subsections (b) and (e), noth-				
17	ing in this Act or the Settlement Agreement affects any				
18	right of the United States, or the State of Arizona, to take				
19	any actions, including enforcement actions, under any laws				
20	(including regulations) relating to human health, safety				
21	and the environment.				
22	SEC. 8. MISCELLANEOUS PROVISIONS.				
23	(a) Waiver of Sovereign Immunity.—If any party				
24	to the Settlement Agreement or a Pumping Protection				
25	Agreement files a lawsuit only relating directly to the inter-				

- 1 pretation or enforcement of this Act, the Settlement Agree-
- 2 ment, an agreement described in paragraph (1), (2), or (3)
- 3 of section 4(c), or a Pumping Protection Agreement, nam-
- 4 ing the United States or the Tribe as a party—or if any
- 5 other landowner or water user in the Little Colorado River
- 6 basin in Arizona files a lawsuit only relating directly to
- 7 the interpretation or enforcement of Article 11, the rights
- 8 of de minimis users in subparagraph 4.2.D or the rights
- 9 of underground water users under Article 5 of the Settle-
- 10 ment Agreement, naming the United States or the Tribe as
- 11 a party—
- 12 (1) the United States, the Tribe, or both may be
- added as a party to any such litigation, and any
- claim by the United States or the Tribe to sovereign
- 15 immunity from such suit is hereby waived, other than
- 16 with respect to claims for monetary awards except as
- specifically provided for in the Settlement Agreement;
- 18 *and*
- 19 (2) the Tribe may waive its sovereign immunity
- from suit in the Superior Court of Apache County,
- 21 Arizona for the limited purposes of enforcing the
- terms of the Intergovernmental Agreement, and any
- intergovernmental agreement required to be entered
- into by the Tribe under the terms of the Intergovern-
- 25 mental Agreement, other than with respect to claims

1	for monetary awards except as specifically provided
2	in the Intergovernmental Agreement.
3	(b) Tribal Use of Water.—
4	(1) In general.—With respect to water rights
5	made available under the Settlement Agreement and
6	used on the Zuni Heaven Reservation—
7	(A) such water rights shall be held in trust
8	by the United States in perpetuity, and shall not
9	be subject to forfeiture or abandonment;
10	(B) State law shall not apply to water uses
11	on the Reservation;
12	(C) the State of Arizona may not regulate
13	or tax such water rights or uses (except that the
14	court with jurisdiction over the decree entered
15	pursuant to the Settlement Agreement or the
16	Norviel Decree Court may assess administrative
17	fees for delivery of this water);
18	(D) subject to paragraph 7.7 of the Settle-
19	ment Agreement, the Zuni Tribe shall use water
20	made available to the Zuni Tribe under the Set-
21	tlement Agreement on the Zuni Heaven Reserva-
22	tion for any use it deems advisable;
23	(E) water use by the Zuni Tribe or the
24	United States on behalf of the Zuni Tribe for
25	wildlife or instream flow use, or for irrigation to

establish or maintain wetland on the Reservation, shall be considered to be consistent with the purposes of the Reservation; and

- (F)(i) not later than 3 years after the deadline described in section 9(b), the Zuni Tribe shall adopt a water code to be approved by the Secretary for regulation of water use on the lands identified in subsections (a) and (b) of section 5 that is reasonably equivalent to State water law (including statutes relating to dam safety and groundwater management); and
- (ii) until such date as the Zuni Tribe adopts a water code described in clause (i), the Secretary, in consultation with the State of Arizona, shall administer water use and water regulation on lands described in that clause in a manner that is reasonably equivalent to State law (including statutes relating to dam safety and groundwater management).

(2) Limitation.—

(A) In General.—Except as provided in subparagraph (B), the Zuni Tribe or the United States shall not sell, lease, transfer, or transport water made available for use on the Zuni Heaven Reservation to any other place.

1	(B) Exception.—Water made available to
2	the Zuni Tribe or the United States for use on
3	the Zuni Heaven Reservation may be severed
4	and transferred from the Reservation to other
5	Zuni Lands if the severance and transfer is ac-
6	complished in accordance with State law (and
7	once transferred to any lands held in fee, such
8	water shall be subject to State law).
9	(c) Rights-of-Way.—
10	(1) New and future trust land.—The land
11	taken into trust under subsections (a) and (b) of sec-
12	tion 5 shall be subject to existing easements and
13	rights-of-way.
14	(2) Additional rights-of-way.—
15	(A) In General.—Notwithstanding any
16	other provision of law, the Secretary, in con-
17	sultation with the Tribe, shall grant additional
18	rights-of-way or expansions of existing rights-of-
19	way for roads, utilities, and other accommoda-
20	tions to adjoining landowners if—
21	(i) the proposed right-of-way is nec-
22	essary to the needs of the applicant;
23	(ii) the proposed right-of-way will not
24	cause significant and substantial harm to

1	the Tribe's wetland restoration project or re-
2	ligious practices; and
3	(iii) the proposed right-of-way acquisi-
4	tion will comply with the procedures in
5	part 169 of title 25, Code of Federal Regu-
6	lations, not inconsistent with this subsection
7	and other generally applicable Federal laws
8	unrelated to the acquisition of interests
9	across trust lands.
10	(B) Alternatives.—If the criteria de-
11	scribed in clauses (i) through (iii) of subpara-
12	graph (A) are not met, the Secretary may pro-
13	pose an alternative right-of-way, or other accom-
14	modation that complies with the criteria.
15	(d) Certain Claims Prohibited.—The United
16	States shall make no claims for reimbursement of costs aris-
17	ing out of the implementation of this Act or the Settlement
18	Agreement against any Indian-owned land within the
19	Tribe's Reservation, and no assessment shall be made in
20	regard to such costs against such lands.
21	(e) Vested Rights.—Except as described in para-
22	graph 5.3 of the Settlement Agreement (recognizing the
23	Zuni Tribe's use of 1,500 acre-feet per annum of ground-
24	water) this Act and the Settlement Agreement do not create
25	any vested right to groundwater under Federal or State

- 1 law, or any priority to the use of groundwater that would
- 2 be superior to any other right or use of groundwater under
- 3 Federal or State law, whether through this Act, the Settle-
- 4 ment Agreement, or by incorporation of any abstract, agree-
- 5 ment, or stipulation prepared under the Settlement Agree-
- 6 ment. Notwithstanding the preceding sentence, the rights of
- 7 parties to the agreements referred to in paragraph (1), (2),
- 8 or (3) of section 4(c) and paragraph 5.8 of the Settlement
- 9 Agreement, as among themselves, shall be as stated in those
- 10 agreements.
- 11 (f) Other Claims.—Nothing in the Settlement Agree-
- 12 ment or this Act quantifies or otherwise affects the water
- 13 rights, claims, or entitlements to water of any Indian tribe,
- 14 band, or community, other than the Zuni Indian Tribe.
- 15 (g) No Major Federal Action.—Execution of the
- 16 Settlement Agreement by the Secretary as provided for in
- 17 section 4(a) shall not constitute major Federal action under
- 18 the National Environmental Policy Act (42 U.S.C. 4321 et
- 19 seq.). The Secretary shall comply with that Act and shall
- 20 carry out any other necessary environmental compliance
- 21 during the implementation phase of this settlement.
- 22 SEC. 9. EFFECTIVE DATE FOR WAIVER AND RELEASE AU-
- 23 THORIZATIONS.
- 24 (a) In General.—The waiver and release authoriza-
- 25 tions contained in subsections (b) and (c) of section 7 shall

- 1 become effective as of the date the Secretary causes to be
- 2 published in the Federal Register a statement of all the fol-
- 3 lowing findings:

- 4 (1) This Act has been enacted in a form approved by the parties in paragraph 3.1.A of the Settlement Agreement.
 - (2) The funds authorized by section 4(b) have been appropriated and deposited into the Fund.
 - (3) The State of Arizona has appropriated and deposited into the Fund the amount required by paragraph 7.6 of the Settlement Agreement.
 - (4) The Zuni Indian Tribe has either purchased or acquired the right to purchase at least 2,350 acrefeet per annum of surface water rights, or waived this condition as provided in paragraph 3.2 of the Settlement Agreement.
 - (5) Pursuant to subparagraph 3.1.D of the Settlement Agreement, the severance and transfer of surface water rights that the Tribe owns or has the right to purchase have been conditionally approved, or the Tribe has waived this condition as provided in paragraph 3.2 of the Settlement Agreement.
 - (6) Pursuant to subparagraph 3.1.E of the Settlement Agreement, the Tribe and Lyman Water Company have executed an agreement relating to the proc-

- ess of the severance and transfer of surface water rights acquired by the Zuni Tribe or the United States, the pass-through, use, or storage of the Tribe's surface water rights in Lyman Lake, and the operation of Lyman Dam.
 - (7) Pursuant to subparagraph 3.1.F of the Settlement Agreement, all the parties to the Settlement Agreement have agreed and stipulated to certain Arizona Game and Fish abstracts of water uses.
 - (8) Pursuant to subparagraph 3.1.G of the Settlement Agreement, all parties to the Settlement Agreement have agreed to the location of an observation well and that well has been installed.
 - (9) Pursuant to subparagraph 3.1.H of the Settlement Agreement, the Zuni Tribe, Apache County, Arizona and the State of Arizona have executed an Intergovernmental Agreement that satisfies all of the conditions in paragraph 6.2 of the Settlement Agreement.
 - (10) The Zuni Tribe has acquired title to the section of land adjacent to the Zuni Heaven Reservation described as Section 34, Township 14 North, Range 26 East, Gila and Salt River Base and Meridian.
 - (11) The Settlement Agreement has been modified if and to the extent it is in conflict with this Act

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

- and such modification has been agreed to by all the
 parties to the Settlement Agreement.
- 3 (12) A court of competent jurisdiction has ap-4 proved the Settlement Agreement by a final judgment
- 5 and decree.
- 6 (b) Deadline for Effective Date.—If the publica-
- 7 tion in the Federal Register required under subsection (a)
- 8 has not occurred by December 31, 2006, sections 4 and 5,
- 9 and any agreements entered into pursuant to sections 4 and
- 10 5 (including the Settlement Agreement and the Intergovern-
- 11 mental Agreement) shall not thereafter be effective and shall
- 12 be null and void. Any funds and the interest accrued there-
- 13 on appropriated pursuant to section 4(b)(2) shall revert to
- 14 the Treasury, and any funds and the interest accrued there-
- 15 on appropriated pursuant to paragraph 7.6 of the Settle-
- 16 ment Agreement shall revert to the State of Arizona.

Calendar No. 638

 $^{\tiny 107\text{TH CONGRESS}}_{\tiny 2D \text{ Session}} ~\textbf{S. 2743}$

[Report No. 107-301]

A BILL

To approve the settlement of the water rights claims of the Zuni Indian Tribe in Apache County, Arizona, and for other purposes.

> OCTOBER 8,2002Reported with an amendment