



STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER

Scott A. Verhines, P.E.
State Engineer

CONCHA ORTIZ Y PINO BLDG.
POST OFFICE BOX 25102
130 SOUTH CAPITOL
SANTA FE, NEW MEXICO 87504-5102
(505) 827-6091
FAX: (505) 827-3806

February 4, 2013

San Juan Water Commission
7450 E. Main Street
Farmington, NM 87402

Re: Proposed Settlement Agreement

Dear Commissioners:

I am very pleased that we have negotiated a settlement agreement that is proposed for your approval by resolution. I believe this agreement will be good for the San Juan Water Commission, its members and other water users in the San Juan Basin. This settlement will avoid years of controversy, give certainty to the Commission to plan for future water needs and facilitate cooperation in the management of this vital resource.

If this agreement meets with your approval, I will sign it right away. In anticipation of your approval, I have made arrangements for a simultaneous signing ceremony at 3:00 pm Wednesday afternoon, February 6, 2013.

I want to thank you for your consideration of this settlement. Also, we really appreciate the efforts of your Executive Director and legal counsel for their diligent and conscientious work on behalf of the Commission in reaching this proposed agreement.

Best Regards,

A handwritten signature in cursive script, reading "Scott A. Verhines", is written over a horizontal line.

Scott A. Verhines, P.E.
New Mexico State Engineer

SAV/kme

cc: Estevan R. López, Director of Interstate Stream Commission