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FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/13
 SPONSOR Padilla LAST UPDATED 02/26/13 HB _____
 SHORT TITLE Maximize Rio Grande Water Supply SM 8/aSRC
 ANALYST McCoy

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Companion to SB 197

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the State Engineer/Interstate Stream Commission (OSE/ISC)

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of SRC Amendment

The Senate Rules Committee amendment to Senate Memorial 8 includes the United States Bureau of Reclamation, the United States Army Corps of Engineers, and the United States Fish and Wildlife Service as attendees to a meeting to evaluate and understand all short- and long-term options for the development of water supplies within the middle Rio Grande and to promote collaboration among all existing water users.

Synopsis of Original Bill

Senate Memorial 8 (SM 8) requests a meeting to be sponsored and jointly conducted by the Middle Rio Grande Conservancy District (MRGCD) and the Mid-Region Council of Governments and attended by the Office of the State Engineer, the Interstate Stream Commission, water experts from industry, representatives from acequias, Indian pueblos and others with special expertise. The purpose of the meeting is to evaluate and understand all short- and long-term options for the development of water supplies within the middle Rio Grande and

to promote collaboration among all existing water users. The memorial recognizes New Mexico would benefit from a study of all the options for maximizing water supply and providing for conservation in its use among agriculture, industries, environmental groups, and public and private utilities. It further requires a jointly prepared report of a list of options for reporting to the fifty-first legislature based upon the proceedings of the meeting.

FISCAL IMPLICATIONS

The OSE/ISC adds, there is little to no fiscal impact for the OSE/ISC if funding is appropriated to the OSE/ISC in SB 197 for staff and/or contractors to document results of the meeting.

SIGNIFICANT ISSUES

Both the New Mexico Department of Agriculture (NMDA) and the OSE/ISC point out, a number of federal agencies should be at the meeting requested in SM 8 including Sandia National Laboratory, U.S. Bureau of Reclamation (BOR) and U.S. Army Corps of Engineers (USACOE), that have spent many years and millions of dollars studying the Rio Grande's water management and water delivery flexibility as well as modeling the river. These federal agencies also play major roles in how and when water is delivered to various parties in the middle Rio Grande valley. In addition, the U.S. Fish and Wildlife Service plays a role because of endangered species issues in the valley. The water management and endangered species act consultation that is currently occurring in the middle Rio Grande between BOR, the USACOE, the MRGCD, Albuquerque Bernalillo County Water Utility Authority, and state will likely establish additional requirements for endangered species act compliance and should be discussed at the meeting.

According to the OSE/ISC, SM 8 seeks to address an extremely complex and difficult set of issues through a single meeting and by documenting the results of the meeting. Numerous agencies and entities have been working and collaborating for over a decade to attempt to evaluate and understand options for development of water supplies within the middle Rio Grande within the legal, institutional, and hydrologic constraints that exist. Millions of dollars have been spent to improve the water management system. Numerical models exist, have and are being used to assess the ability to meet numerous demands, including agricultural, municipal, and endangered species/environmental. Yet, little consensus has been achieved primarily because of all the competing demands for water and the limited and highly variable surface water supply.

The OSE/ISC reports, the very limited and variable available surface water supply is being managed to meet/optimize numerous demands. And, the work efforts have largely been successful through ten years of relatively dry conditions and the last two years that are amongst the driest and warmest in New Mexico's weather records. For example, the MRGCD reduced its annual river diversions needed to meet irrigation demand by nearly 40 percent which significantly extended the MRGCD irrigation season and allowed the Albuquerque Bernalillo County Water Utility Authority and Santa Fe Buckman Direct Diversions to more fully utilize their new surface water diversion facilities. And, the MRGCD, state agencies, and others have worked collaboratively to help BOR and the USACOE meet endangered species act requirements so that New Mexico water users can continue to receive surface water as well as maintain the environment. Additionally, nearly every day during the irrigation season, up to twenty people (water managers, engineers, biologist, and others) are on the phone discussing and deciding whose water will go where in the middle Rio Grande in the next several days. The OSE/ISC notes, it may be valuable to document the improvements that have been made, compile and report them, as well as discuss what options remain.

COMPANIONSHIP

A companion bill, SB 197, requests an appropriation from the general fund to prepare and distribute a report documenting the results of the meeting.

AMENDMENTS

The OSE/ISC recommends the following amendments:

- Modify the Title to read “A MEMORIAL REQUESTING A MEETING TO OPTIMIZE THE MIDDLE RIO GRANDE WATER SUPPLY FOR EXISTING AND NEW DEMANDS.
- Modify “WHEREAS, it is vital to evaluate and understand all short and long-term options for development of water supplies within the middle Rio Grande and to promote collaboration among all of its existing water users” and replace with: “WHEREAS, the Middle Rio Grande Basin is fully appropriated and any new use of water must be offset by the reduction of an existing use, it is important to document the short and long-term options for further developing the water supplies within basin and to promote collaboration among all of its existing water users”;
- Modify “NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF NEW MEXICO that a meeting be sponsored and jointly conducted by the middle Rio Grande conservancy district and the midregion council of governments and attended by the office of the state engineer, the interstate stream commission, water experts from industry, representatives from acequias, Indian pueblos and others with special expertise. Based upon the proceedings of the meeting, the sponsors shall jointly prepare a candidate list of options for reporting back to the legislature at the second session of the fifty-first legislature; and replace with:
- “NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF NEW MEXICO that a meeting be sponsored and jointly conducted by the middle Rio Grande conservancy district and the midregion council of governments and attended by the office of the state engineer, the interstate stream commission, the Water Authority, the Buckman Direct Diversion, the U.S. Bureau of Reclamation, the U.S. Army Corps of Engineers, the U.S. Fish and Wildlife Service, water experts from industry, representatives from acequias, Indian pueblos and others with special expertise to list accomplishments made over the past ten years and outline remaining options. The results of the meeting will be documented and the sponsors shall jointly prepare a candidate list of options for reporting back to the legislature at the second session of the fifty-first legislature;”

According to the OSE/ISC, the term maximize (page 1, line 16) usually means to weigh one aspect of a problem over others and the OSE/ISC recommends using the term optimize because it appears to better reflect the goals outlined in the WHEREAS clauses.