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### FISCAL IMPACT REPORT

SPONSOR:	Lyons	DATE TYPED:	01/26/00	HB	
SHORT TITLE:	Colfax County Irrigation Improvements			SB	66
				ANALYST:	Pickering

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
NFI	\$ 500.0	NFI	NFI	Non-Recurring	IWCF

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

### SOURCES OF INFORMATION

New Mexico Department of Agriculture (NMDA)

Environment Department (ED)

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

## **SUMMARY**

### Synopsis of Bill

SB66 appropriates \$500.0 to ISC from the Irrigation Works Construction Fund (IWCF) for making repairs and improvements to lakes 12 and 14 in the Vermejo conservancy district (\$250.0) and pipeline improvements to the Antelope Valley irrigation district (\$250.0). Both districts are located in Colfax County. Any unexpended or unencumbered balance remaining at the end of FY01 shall revert to the IWCF.

### Significant Issues

According to ISC, the IWCF balances must be preserved in order to address other critical programs deemed priority by both the agency and the legislature. The agency stated the Vermejo conservancy district dams 12 and 14 were both inspected in 1999 and were found to need repairs. Dam 14 requires major rebuilding of the dam embankment, which may cost more than \$250.0. These dams are used to store water for irrigation and for the United States Fish and Wildlife.

ISC reported 1998 estimated costs of over \$3,000.0 for the Antelope Valley irrigation district pipeline project. In 1998, the legislature appropriated \$50.0 for the project which the district will use in Spring 2000. The district will install a pipeline inlet/outlet and 600 linear feet of pipeline. An additional 4,000 feet linear feet of 36" pipeline is needed to complete the project. The United States Department of Agriculture (USDA) has prepared the plans and specifications.

## **FISCAL IMPLICATIONS**

The bill appropriates \$500.0 from the IWCF. The projected IWCF income fund balance at the end of the current fiscal year is \$16,700.0. However, ISC has requested \$8,359.0 in FY2001 appropriations from the fund to address several high priority issues highlighted under the substantive issues section. It is the agency's contention that these monies are obligated for specific purposes and will be depleted if used for other concerns.

## **SUBSTANTIVE ISSUES**

ISC reports it is concerned about using fund balances and revenue from the IWCF and the improvement of the Rio Grande income fund (IRGF) for projects with lower priorities in FY01. The funds have been used by the legislature to augment general fund revenue sources for critically important needs such as: the lower Rio Grande hydrographic survey, federal and interstate litigation in the lower Rio Grande, Endangered Species Act litigation and process participation in the middle Rio Grande. The agency's efforts to provide for New Mexico's compliance with the Pecos River Compact and the United States Supreme Court amended decree also make it necessary to preserve the fund balances to address these higher priority issues.

## **CONSEQUENCES OF NOT ENACTING THIS BILL**

If the funds are not appropriated, then the Vermejo conservancy district and the Antelope Valley irrigation district will be unable to make the requested improvements.

RWP/gm