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FISCAL IMPACT REPORT

SPONSOR: Lundstrom DATE TYPED: 1/23/01 HB 79
 SHORT TITLE: Assess Navajo-Gallup Water Supply Project SB _____
 ANALYST: Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 200.0			Non-Recurring	GF

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in The General Appropriation Act (See Fiscal Impact)

SOURCES OF INFORMATION

LFC Files
 Office of the State Engineer (SEO)

SUMMARY

Synopsis of Bill

This bill appropriates \$200.0 from the general fund to the local government division of the department of finance and administration for the purpose of conducting an engineering assessment of the city of Gallup's water system as a component of the Navajo-Gallup water supply project.

Significant Issues

The City of Gallup is exhausting its groundwater resources and needs to develop a dependable, renewable and long-term solution to its water needs. The U.S. Bureau of Reclamation is developing plans for the Navajo-Gallup water supply project which would bring San Juan River water to the area. The City of Gallup needs to develop a hydraulic water system model to determine if system improvements are needed for interfacing with the project.

FISCAL IMPLICATIONS

The appropriation of \$200.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2001 shall revert to the general fund. State funds expended on the project would be credited by the Bureau of Reclamation as matching funds toward the Navajo-Gallup water supply project.

GAC/njw