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FISCAL IMPACT REPORT

SPONSOR: Jennings DATE TYPED: 02/18/01 HB _____
 SHORT TITLE: Drill Water Wells on Texas Border SB 259
 ANALYST: Dotson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 1,000.0			Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Office of the State Engineer

SUMMARY

Synopsis of Bill

SB 259 appropriates \$1 million from the general fund to the Interstate Stream Commission for the purpose of drilling water wells on the Texas border. Water will be delivered from the wells into the Pecos River in the event of a priority call.

Significant Issues

This bill could help New Mexico meet short-term Pecos river compact delivery obligations in the event that a cumulative compact deficient occurs in 2002 and priority administration therefore is required.

According to the State Engineer, it is unlikely that the intended effect will be achieved for the requested funding amount. Any groundwater water pumped into the Pecos river under this bill cannot be tributary to the Pecos river because the groundwater withdrawals would ultimately effect the river be it in New Mexico or Texas. If the effect occurred in New Mexico, the result would just decrease future compact deliveries. If the effect were felt in Texas, Texas would likely sue to recover the water. So, if the water cannot be tributary to the Pecos, where will it come from? It is not certain at this time but it would likely be quite some distance from the Pecos river. A pipeline would need to be constructed to deliver the water from the wells to the Pecos river. Consequently, the requested funding would be insufficient to pay for the number of wells, pumps, piping, operation, and maintenance that this project would require to be successful.

FISCAL IMPLICATIONS

The appropriation of \$1000.0 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 2002 shall revert to the general fund. However, in the event that the pumps are utilized operations and maintenance cost need to be considered.

OTHER SUBSTANTIVE ISSUES

According to the State Engineer, alternatives may exist such as leasing of water from Carlsbad Irrigation District or the Purchase of Carlsbad Irrigation District farmland and delivery of the associated annual water allotment to the state line to avoid a priority call. A feasibility study of \$50,000 could identify the best alternative.

According to the State Engineer, legal problems would include the question of whose water is being pumped and what priority it has, as well as the potential of a lawsuit being filed by Texas.

PD/ar/njw