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FISCAL IMPACT REPORT

SPONSOR Lujan, B DATE TYPED 2/18/04 HJM 90/aHFI#1/aHFI#2

SHORT TITLE Water Agreement Changes SB _____

ANALYST Maloy

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			NFI		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HM33.

SOURCES OF INFORMATION

LFC Files

No Response Received From
Office of the State Engineer

SUMMARY

Synopsis of HF1 Amendment #2

House Floor Amendment #2 provides:

- recognition that other “entities” besides the City of Espanola and the City and County of Santa Fe may seek to convert their water service agreements to repayment perpetual agreements; and
- clean-up language.

Synopsis of HF1 Amendment #1

House Floor Amendment #1 provides:

- a simplified title that does not change in meaning;
- grammatical corrections, such as the elimination of unnecessary commas;
- a simplified project name, from San Juan – Chama to just Chama; and

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- adds a premise recognizing the importance of a reliable, sustainable supply of project water for the City of Espanola and City and County of Santa Fe.

Synopsis of Original Bill

House Joint Memorial 90 states:

- Congress approved the initial stage of the San Juan – Chama water project in 1962 as part of the Colorado River Storage Project.
- The San Juan – Chama project provides water to the multi-county region, including San Juan, Taos, Rio Arriba, Santa Fe, Sandoval, Bernalillo, and Valencia Counties.
- The San Juan – Chama project is approved for furnishing water for municipal, domestic and industrial uses.
- The City of Espanola, located in Rio Arriba and Santa Fe counties, and the United States Department of the Interior entered into an agreement in February 1978 through which the city was allocated 1,000 acre-feet of water annually from the San Juan – Chama project.
- The City of Santa Fe and Santa Fe County entered into an agreement with the Department of the Interior in November 1978 through which the city and county were allocated 5,605 acre-feet of water annually from the San Juan – Chama project.
- Espanola, Santa Fe, and Santa Fe County have used the project water to offset excess water usage from municipal wells.
- Espanola, Santa Fe and Santa Fe County intend to construct a water filtration facility using project water.
- The agreement between Espanola and the United States Department of the Interior is due to expire December 31, 2018.
- The agreement between Santa Fe, Santa Fe County and the United States Department of the Interior is due to expire December 31, 2016.
- Other San Juan – Chama contractors, including the City of Albuquerque, the Middle Rio Grand Conservancy District, the Pojoaque Valley Irrigation District, the Town of Bernalillo, the City of Belen, and the Town of Red River, all have repayment, perpetual agreements.
- The Jicarilla Apache Nation and Cochiti Reservoir Recreation Pool have agreements that can only be terminated by an Act of Congress.

Based on these premises, the Memorial resolves:

- The New Mexico State Legislature support Espanola, Santa Fe and Santa Fe County in their efforts to have their agreements with the United States Department of the Interior changed from a water service agreement to a repayment, perpetual agreement.

Significant Issues

Presumably, having a perpetual agreement with no termination date provides greater security to the contractors.

POSSIBLE QUESTIONS

What are the key distinctions between a service agreement and a repayment agreement?

SJM/yr:dm