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FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/18

SPONSOR Woods LAST UPDATED _____ HM _____

SHORT TITLE Restore NM Water Rights SM 9

ANALYST Amacher

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates House Memorial 18

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Attorney General's Office (NMAG)

Office of the State Engineer (OSE)

SUMMARY

Synopsis of Memorial

Senate Memorial 9 declares New Mexico supports efforts of the New Mexico Central Arizona Project Entity (NM CAP Entity) to provide for water conservation projects, additional consumptive storage, and use of 14,000 acer-feet of water annually. This memorial supports efforts of the NM CAP Entity to obtain up to \$62 million of additional federal funding authorized by the Arizona Water Settlements Act.

FISCAL IMPLICATIONS

There are no immediate fiscal impacts. The memorial endorses efforts of the NM CAP Entity in securing up to \$62 million of additional federal funding.

SIGNIFICANT ISSUES

The NM CAP Entity is an existing coalition of 15 local governments formed through a joint powers agreement to develop a New Mexico Unit of the Central Arizona Project, in order to satisfy the conditions of the Arizona Water Settlements Act (AWSA) to enable to the use of

Senate Memorial 9 – Page 2

14,000 acre-feet above the consumptive use provided in the U.S. Supreme Court’s 1964 decree in *Arizona v. California*.

DUPLICATION

Senate Memorial 9 duplicates HM18.

TECHNICAL ISSUES

- On page 1, lines 14-15, reads as “in 1952, New Mexico, Nevada, Utah and the federal government”; the OSE notes that the United States intervened in 1953, the State of Nevada intervened in 1954, and the State of New Mexico and the State of Utah were joined as parties in 1955.
- On page 1, lines 22-23, reads as “the special master awarded Arizona users two million two hundred thousand acre-feet”; the OSE notes the court awarded Arizona 2,800,000 acre-feet of mainstream Colorado River water based primarily on the 1928 Boulder Canyon Project Act.
- On page 1, lines 24-25, and on page 2, lines 1-3, reads as “annually, the upper Gila river users in New Mexico were awarded fifteen thousand eight hundred ninety-five acre-feet of water annually and the San Francisco river users in New Mexico were awarded four thousand one hundred twelve acre-feet of water annually; and”; the OSE notes these numbers as the annual maximum amounts. The annual maximum average over 10 years for the Gila and San Francisco is 13,662 and 3,187 acre-feet, respectively.
- On page 3, line 21, reads as two hundred thousand dollars (\$9,200,000); the OSE that \$9.1 million was set aside.
- On page 4, lines 3-14, the OSE seeks clarification as it is not mentioned what section this paragraph belongs to. Paragraph (1) of Section 304(f) was replaced with the new insertion.
- On page 6, line 23, reads as “sixty million dollars (\$60,000,000)”; the OSE suggests it should read as \$62 million, reflecting a maximum of additional funds that may be available for construction of the NM Unit.

As noted by the NMAG: on page 7, line 13, the word “support” should read as “supports”.

OTHER SUBSTANTIVE ISSUES

The NM CAP Entity is an existing coalition within the four-county region of Catron, Grant, Hidalgo, and Luna in southwest New Mexico comprised of 15 local governments. This coalition was established to support federal legislation (the Arizona Water Settlements Act of 2004) securing 14,000 acre-feet of water per year and up to \$128 million to support water supply needs and projects in accessing additional water on the Gila and San Francisco rivers.

ALTERNATIVES

For clarity and completeness, the NMAG suggests adding another “Whereas” clause establishing that the NM CAP Entity was by a joint powers agreement in 2014.

JMA/al