

LFC Requester: _____

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/24/2025 *Check all that apply:*
Bill Number: HB 569 Original Correction
 Amendment Substitute

Sponsor: Rep. D. Wonda Johnson **Agency Name and Code** Office of the State Engineer
Rep. Patricia A. Lundstrom **Number:** 550
Person Writing Analysis: Ali Effati
Short Title: Navajo-Gallup Water Supply Project **Phone:** 505-614-4636 **Email:** Ali.effati@ose.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	\$10,000	nonrecurring	GF

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NA	NA	NA	nonrecurring	GF

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NA	NA	NA	NA	nonrecurring	NA

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: None
Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Bill 569 appropriates \$10 million dollars to the NMED to plan, design and construct the Navajo-Gallup water supply project regional water line Beacon-Bisti-N9, Cutter Lateral 371/interstate 40 project water line.

FISCAL IMPLICATIONS

None

SIGNIFICANT ISSUES

The Navajo Gallup Water Supply Project (Project) is a major infrastructure project that the US Bureau of Reclamation (BOR or Reclamation) is constructing to convey reliable drinking water from the San Juan River to the eastern portion of the Navajo Nation, the community of Lybrook, the southwestern portion of the Jicarilla Apache Nation, and the City of Gallup, via approximately 300 miles of pipeline, approximately 20 pumping stations and two water treatment plants.

The Omnibus Public Land Management Act of 2009, Public Law 111-11, 123 Stat. 991 authorized construction of the Project as a major aspect of the Navajo Nation San Juan River Basin Water Rights Settlement. The Act authorizes BOR to construct, operate, and maintain the Project, allocate capacity, enter into repayment contracts and acquire land as necessary and enter into agreements with the City of Gallup and the Navajo Nation to convey title.

HB569 seeks to provide \$10 million to NMED to plan, design, and construct a regional project (regional water line Beacon-Bisti-N9, Cutter Lateral 371/interstate 40 project) that presumptively would connect to the San Juan Lateral component of the Navajo-Gallup Project that is currently under construction.

It is yet known how this funding would be integrated into the federal planning and construction process for the larger Navajo-Gallup Project, which is not yet completed and is subject to federal authorizations and funding, but it is prudent for New Mexico to look at all viable funding opportunities to complete all components this important project.

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

None

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

It is unclear if the service area for the Navajo-Gallup Water Supply Project has been amended to include these communities and/or whether the Indian Health Service is already constructing an extension of pipeline to existing public water systems.

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None

AMENDMENTS

None