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FISCAL IMPACT REPORT

SPONSOR:	Rainaldi	DATE TYPED:	02/16/01	HB	
SHORT TITLE: Assess Navajo-Gallup Water Supp		Water Supply Pr	roject	SB	115
			ANAL	YST:	Padilla

APPROPRIATION

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

(Parenthesis () Indicate Expenditure Decreases)

Duplicates House Bill 79.

Also duplicates Senate Capital Outlay Request 358.

SOURCES OF INFORMATION

LFC Files Office of the State Engineer

No response received:

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 115 appropriates \$200.0 from the general fund to DFA's Local Government Division 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 and the Navajo Nation are exhausting their groundwater resources and need to develop a dependable, renewable and long-term solution to their 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 in order to interface with this project.

FISCAL IMPLICATIONS

Senate Bill 115 -- Page 2

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 2002 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.

LP/njw