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F I S C A L I M P A C T R E P O R T



SPONSOR: Moore DATE TYPED: 01/18/02 HB 20

SHORT TITLE: Ft. Sumner Irrigation District Debt SB _____

ANALYST: Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	\$1,200.0			Non-Rec	General Fund

SOURCES OF INFORMATION

Office of the State Engineer

SUMMARY

Synopsis of Bill

This bill appropriates \$1,200.0 from the general fund to the Office of the State Engineer/Interstate Stream Commission for the purpose of paying the outstanding debt of the Fort Sumner Irrigation District to the United States Bureau of Reclamation (BOR).

Significant Issues

The Fort Sumner Irrigation District has a 1903 priority water right for diversion of 100 cubic-feet-per-second of water at its Pecos River diversion dam. After its diversion was destroyed by floods, the District contracted with BOR in 1948 to rebuild the diversion dam and provide improvements to the canal system. Repayment was for an extended period; however, in 2000, BOR ordered the district to reduce their diversion and leave a specified flow in the river for endangered fish. BOR provided written notice that it would take control of the diversion if the district failed to comply. Justification for the action was a clause in the repayment contract that allows BOR to take control of the operation of the district's facilities with six months notice if the district does not operate its irrigation system as dictated by BOR. After intervention by the New Mexico congressional delegation, BOR elected to lease water rather than pursue taking over operation of the district facilities. The issue did not arise in 2001; however, paying off the district's debt would mitigate federal claims that they can dictate the use of water in the district.

FISCAL IMPLICATIONS

The appropriation of \$1,200.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2003 shall revert to the general fund.

GAC/ar/njw