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## FISCAL IMPACT REPORT



SPONSOR: Griego DATE TYPED: 02/01/02 HB

SHORT TITLE: Transport Water from the Mississippi River SB SJM-57

ANALYST: Chabot

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	NFI		Substantial (See Narrative)	Non-Recurring	General Fund

### SOURCES OF INFORMATION

LFC Files  
 New Mexico Environment Department (NMED)  
 New Mexico Finance Authority (NMFA)  
 Office of the State Engineer (OSE)  
 Public Regulation Commission  
 State Land Office

### SUMMARY

#### Synopsis of Bill

Senate Joint Memorial 57 resolves that representatives from the office of the Governor, the State Land Office, the Public Regulation Commission and the Office of the State Engineer be requested to form a task force to study the feasibility of buying water rights in the Mississippi River and building a pipeline to transport that water to New Mexico. It suggests that the Federal Reclamation Fund, which receives large contributions from New Mexico from oil and gas royalties, should be used to pay for the pipeline. It is further resolved that the task force report its findings to the appropriate committee during the 2003 interim.

#### Significant Issues

Water issues continue to come to the forefront of New Mexico policy issues. A growing population puts additional strain on existing resources. Water in the state is fully appropriated with little opportunity to increase the available resources. In addition, the region has experienced a period of

better than average precipitation which maybe coming to an end. Lack of adjudications in most water basins and interstate compact water delivery requirements to surrounding states, particularly Texas, limit our ability to effectively manage our water resources. Native American water rights claims have not been resolved and may have a significant impact in many areas of the state. Endangered species, such as the Rio Grande silvery minnow and Pecos River bluntnose shiner, have created additional demands on river flows. Water quality issues, particularly in the water crossing the state line to Texas, causes concern in our ability to meet federal clean water standards. Finally, the state is under a United States Supreme Court decree to meet compact deliveries on the Pecos River and failure to do so may result in the court appointed river master taking control of the river. A comprehensive water management strategy for the state must be developed if we are to meet all our legal obligations relating to water and its use. Innovative ideas are required to resolve our water needs and obligations.

However, OSE states that in the 1970s Texas investigated a similar proposal to pump water from the Mississippi through the state to El Paso with delivery options for New Mexico. "It required the dedicated use of several nuclear power plants to provide energy required to pump the water up from the low elevation of the Mississippi River to the higher elevations of New Mexico." OSE says the energy costs for pumping would be thousands of dollars per acre-foot of water plus the capital outlay costs to build the pipeline. NMFA concludes that revenue could be better spent on projects in the state to develop water resources that we currently have. NMED mentions that importation of water could introduce potentially nuisance species into the rivers of New Mexico further threatening already endangered species.

### **FISCAL IMPLICATIONS**

No appropriation is contained in the Joint Memorial; however, if the feasibility study concluded that this project would be worth pursuing, the cost of a pipeline would be in the billions of dollars.

### **POSSIBLE QUESTIONS**

1. What other alternatives exist for importation of water to New Mexico ? Does Colorado or Utah have unappropriated water they could sell to the state ?

GAC/njw