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FISCAL IMPACT REPORT

SPONSOR Stewart **DATE TYPED** 2/10/2005 **HB** HJM 34

SHORT TITLE Plan For Arizona Water Settlement Benefits **SB** _____

ANALYST Aguilar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)

Office of the State Engineer (OSE)

New Mexico Environment Department (NMED)

SUMMARY

Synopsis of Bill

House Joint Memorial 34 requests that the Interstate Stream Commission (ISC) employ a multi-stakeholder planning process to realize the full benefits the State of New Mexico received in the Arizona Water Settlements Act. The joint memorial further requests the planning process include consideration of the ecological and economic value of the Gila and San Francisco rivers in the present free-flowing condition. ISC is further requested to report to the legislature annually the status of planning.

Significant Issues:

The Arizona Water Settlements Act provides New Mexico with 140 thousand acre feet of Gila basin water in any ten years and up to \$128 million to meet water supply demand in the southwest water planning region.

HJM 34 acknowledges the existing condition in the Gila and San Francisco Rivers of Southwest New Mexico and demands for water in the basin and the traditions, customs and cultures affecting those uses. In connection with consideration of its approval of the agreements relating to the Arizona Water Settlements Act, the Interstate Stream Commission passed a resolution recogniz-

ing the ecological and economic value of the unique and valuable ecology of the Gila river basin and stated its desire to utilize the best available science to fully assess and mitigate any ecological impacts, or impacts to traditions, cultures, and customs, that may occur in considering historic and future uses of water in the Gila river basin.

The New Mexico Environment Department is responsible for assessing the quality of the state's surface water resources, including ecological conditions. Currently NMED assesses surface water in a particular region on an eight year rotating cycle.

NMED has responsibility under the federal Clean Water Act to ensure that the quality of the state's surface waters, including the ecological integrity of those waters, is maintained or improved. Portions of both the Gila and San Francisco rivers are designated as high quality cold water fisheries which provide the highest level of protection for aquatic species. The Gila River also provides habitat for several federally designated aquatic threatened or endangered species, including the spike dace, loach minnow and Gila trout.

NMED has written several Total Maximum Daily Loads, which address impairments of stream reaches within the Gila Basin. The department has also funded a number of watershed restoration projects in this area to address the underlying causes of impairment in order to improve water quality and ecological conditions.

PERFORMANCE IMPLICATIONS

In addition to other statutory roles, the Interstate Stream Commission is responsible for water planning. Therefore, the memorial will not significantly affect the performance of the agency, as the Interstate Stream Commission is already charged with planning for water uses on interstate streams. The potential exist for a tremendous decrease in administrative requirements for administrative staff in the Office of the State Engineer with proper planning and implementation of the allowable usage.

The Interstate Stream Commission has passed a resolution in support the Arizona Water Rights Settlement Act and has recognized the need to realize the full benefits of the Act for a wide range of entities and local and regional water users in Southwest New Mexico.

FISCAL IMPLICATIONS

ISC is currently involved in the planning process for basins throughout the state and can absorb the cost of this planning within existing budget. Staff support may be needed from other agencies to complete this process. The joint memorial does not provide added funding for these added agency responsibilities.

ADMINISTRATIVE IMPLICATIONS

NMED is currently scheduled to begin its next assessment of the Gila and San Francisco rivers in 2009 and 2007, respectively. The ISC's planning efforts described in HJM 34 could necessitate rescheduling of NMED's Gila Basin assessments, which could impact the timing of assessments in other parts of the state.

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