

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 1-30-06

SPONSOR Papen LAST UPDATED _____ HB _____

SHORT TITLE Lower Rio Grande Collaborative SB 494

ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
NFI	\$200.0	Non-Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB545

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

Senate Bill 494, which makes an appropriation for the Lower Rio Grande Collaborative, appropriates \$200,000 from the general fund to the Interstate Stream Commission for expenditure in fiscal year 2007 to support the lower Rio Grande collaborative and match a federal cost-share commitment for the collaborative. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

FISCAL IMPLICATIONS

The Office of the State Engineer (OSE) indicates that the \$200,000 appropriation would be utilized primarily to fund contract scientific studies, with a lesser amount for administration of the collaborative program and for travel and per diem for collaborative program partners' participation in meetings and field visits. This appropriation is funded to match a federal cost-share commitment for the collaborative program.

While the Department of Finance and Administration notes that the agency has the administrative capacity to implement this bill, it indicates that the proposed appropriation is not included in the Executive recommendation.

SIGNIFICANT ISSUES

OSE notes that a collaborative partnership between Elephant Butte Irrigation District (EBID), World Wildlife Fund (WWF) and Environmental Defense (ED) was formed in 2004 to address Rio Grande water management issues. A principal driver for the Collaborative Program's formation was the International Boundary and Water Commission's (IBWC) efforts to change its water operation procedures based on its June 2004 Lower Rio Grande Canalization Environmental Impact Statement (EIS). The purpose of the Collaborative Program is to work with water managers, water users, and environmental organizations to resolve management issues in a framework that protects and safeguards the Lower Rio Grande farmers' water operations and management, while achieving the goals of improving the biological functioning of the river.

OSE adds that Governor Richardson and Senator Bingaman provided key support to the Collaborative in 2004 when the Collaborative opposed the International Boundary and Water Commission's (IBWC) final EIS on the 105-mile Canalization Project in Southern New Mexico. To implement the Collaborative Program, the Collaborative requested IBWC to fund additional investigations of ESA safeguards and scientific studies before issuing a Record of Decision.

IBWC has agreed to provide partial funding of up to \$450,000 for the additional scientific studies and investigations necessary to protect the farmers and ascertain the best and sustainable sites for river enhancement. However, OSE suggests that additional monies are needed for completion of necessary scientific studies and to ensure full participation and collaboration among all partners, and the Collaborative would expend these funds on the following activities:

- legal analysis and drafting and technical review and comment on biologic, hydrologic and sediment transport studies undertaken by the IBWC in partnership with the US Army Corp of Engineers;
- developing an agreement for EBID's water delivery and right-of-way in the newly created Mesilla Valley Bosque State Park;
- third-party consultants to undertake complementary scientific studies and analyses of river restoration activities in the 105-mile reach; and
- travel and per diem for collaborative partners to participate in collaborative meetings.

OSE concludes by noting that this funding will allow active participation by the State of New Mexico in the Collaborative Program by bringing in the New Mexico Interstate Stream Commission, which is actively involved in water management issues in the region, especially those that may affect interstate water deliveries.

BW/mt