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FISCAL IMPACT REPORT

	ORIGINAL DATE 2-6-06		
SPONSOR	Griego	LAST UPDATED	HB
	SAN MIGUEL COMMUNITY DITCH		
SHORT TITLE	ASSOCIATION DEBT	SB	597
			ANALYST Hadwiger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$45.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

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 597 appropriates \$45 thousand from the general fund to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) in FY07 for to reduce the balance owed by the San Miguel community ditch association to the interstate stream commission.

FISCAL IMPLICATIONS

The appropriation of \$45 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 would revert to the general fund.

SIGNIFICANT ISSUES

DFA noted that the Association borrowed one million dollars to construct a new damn to hold and divert the water for utilization by the association members. The federal government has paid 75 percent of the total cost, the state 22 percent and the association owes \$45 thousand. There are 22 families that use the ditch to irrigate 231 acres.

OSE indicated that estimated cost for complete replacement of the San Miguel Ditch Diversion Dam is \$1,097,000.00 according to the Corps of Engineers (COE) plans and specifications. The San Miguel Ditch currently has an 1113 Program Agreement signed with the Interstate Stream Commission (ISC). The COE funds 75% of all costs, or \$822,750, and the State funds 17½ % of all costs or \$191,975. The Acequia 7 ½% cost share is \$82,275. The COE has completed designs and an environmental assessment. The bid process is complete and has been awarded. ISC has already placed into escrow, payable to the Corps of Engineers, a total of \$272,250, which represents both the state 17½ % plus the San Miguel Community Ditch's 7 ½ % cost share. Under the agreement between the Ditch and the ISC, San Miguel Community Ditch is required to reimburse the ISC for the \$82,275 already contributed on their behalf from state funds when the project is complete.

ADMINISTRATIVE IMPLICATIONS

DFA recommended that these funds, if appropriated, should be administered by the Interstate Stream Commission.

OTHER SUBSTANTIVE ISSUES

OSE explained that the San Miguel Community Ditch diversion is located on the Pecos River just west of the Village of Ribera, San Miguel County, New Mexico. Because of the high variability in flows on the Pecos River, durable and stable diversions are difficult and expensive to construct. The proposed action is to remove the old, inadequate diversion and build a new diversion dam. The new diversion dam will be a concrete capped gabion structure. A weir length of approximately 96 feet will span the Pecos River at the same location and approximately the same orientation as the old structure.

ALTERNATIVES

DFA suggested that the language be amended to make the appropriation to the Interstate Stream Commission/OSE.

DH/yr