

**MINUTES
of the
FIRST MEETING
of the
WATER AND NATURAL RESOURCES COMMITTEE**

**June 16, 2006
Santa Fe**

The first meeting of the Water and Natural Resources Committee was called to order by Representative Joe M Stell, chair, on Friday, June 16, 2006, at 10:15 a.m. in Room 322 of the State Capitol in Santa Fe.

Present

Rep. Joe M Stell, Chair
Sen. Carlos R. Cisneros, Vice Chair
Sen. Sue Wilson Beffort
Rep. Ray Begaye
Sen. Dede Feldman
Sen. Mary Jane M. Garcia
Rep. Dona G. Irwin
Rep. Larry A. Larranaga
Rep. Kathy A. McCoy
Rep. Andy Nunez
Sen. Mary Kay Papen
Sen. H. Diane Snyder
Rep. Mimi Stewart
Rep. Sandra L. Townsend

Absent

Rep. Joseph Cervantes
Sen. Cynthia Nava
Sen. Stephen P. Neville
Rep. Don L. Tripp

Advisory Members

Sen. Rod Adair
Rep. Anna M. Crook
Rep. Candy Spence Ezzell
Sen. Clinton D. Harden, Jr.
Rep. Rhonda S. King
Rep. Ben Lujan
Rep. Danice Picraux
Sen. Nancy Rodriguez
Sen. John C. Ryan

Sen. Vernon D. Asbill
Rep. Richard P. Cheney
Sen. Timothy Z. Jennings
Sen. Gay G. Kernan
Rep. James Roger Madalena
Rep. Terry T. Marquardt
Sen. Leonard Lee Rawson
Rep. Henry Kiki Saavedra
Sen. Leonard Tsosie
Rep. Peter Wirth
Rep. Eric A. Youngberg

Staff

Gordon Meeks
Jeret Fleetwood
Mark Bolton

Guests

The guest list is in the meeting file.

The meeting began with the introduction of members and staff.

Governor's Water Agenda for the 2007 Regular Session

Bill Hume, a policy advisor for Governor Richardson, provided the committee with an overview of the governor's water agenda for the next year. He explained that Governor Richardson recently stated that he intends to make the 2007 legislative session "the year of water". Mr. Hume pointed out that New Mexico water law will be 100 years old in 2007, and suggested the need for new dedication, focus and vision in water stewardship. He emphasized that such dedication will require collaboration between the executive and legislative branches. He also indicated that while many details regarding this new approach to water still need to be worked out, the legislature and the executive can fill in the blanks together.

Mr. Hume explained that the governor's focus on water for the 2007 session will actually begin this fall, when the governor's office will begin to call on voters to pass the constitutional amendment that makes the Water Trust Fund a permanent, constitutionally authorized fund. He noted that while the legislature had already set aside \$40 million during the 2006 legislative session for the Water Trust Fund, that amount would need to be increased and a dedicated revenue stream would be sought to enable the Water Trust Fund to grow.

Mr. Hume went on to state that the legislature and the governor would need to work together to refine the process of allocating capital outlay for water projects. He explained that every household in New Mexico should be entitled to an adequate supply of safe domestic water and that developing a strategy for achieving such a goal would begin with the state putting funding and expertise in place for allowing small water systems to be able to develop delivery systems. Mr. Hume also indicated that the governor's office would encourage the regionalization of water and wastewater systems. He explained that, since it would be a statewide effort, such regionalization would require the cooperation of all members of the legislature. Mr. Hume noted that approaching water system aid through a uniform, statewide process would require those with access to capital outlay funds to work in agreement with one another.

Next, Mr. Hume discussed the Rio Grande. He explained that water rights along that river have never been fully adjudicated and that such neglect needs to end. Mr. Hume noted that preliminary discussions between the governor's office and the Middle Rio Grande Conservancy District (MRGCD) had been held, and that the MRGCD expressed some willingness to help the Office of the State Engineer to compile a priority list and maps of water rights along the Rio Grande. He also indicated that the state will take a more active role in working with the MRGCD to ensure that operations along the middle Rio Grande are managed as efficiently as possible.

Mr. Hume went on to discuss some of the environmental concerns along the Rio Grande. He explained that, barring some kind of climatic change, it would be difficult to meet the water

flow targets laid out in a biological opinion regarding the Rio Grande silvery minnow. Mr. Hume suggested that, instead of waiting for flows in the river to become too small to keep the minnow alive, a broad-based discussion about alternative strategies for managing the river and habitat needs within water supply realities is needed.

Next, Mr. Hume discussed funding for some of the larger water projects in the state, such as the Ute pipeline project and some of the Indian water rights settlements. He noted that the governor had expressed his support for a financial commitment to the Indian water rights settlements at the signing of the Navajo, Aamodt and Taos settlements. Mr. Hume also acknowledged that while the legislature has signaled its intention to fund these settlements, meeting New Mexico's funding obligations for Indian water rights settlements must be done in the context of the federal government meeting its share.

Mr. Hume also discussed the potential for a water project in the salt basin, but he explained that a project there would be developed only after thorough studies determined that sufficient resources existed there and that depletion of the resources would not adversely affect nearby systems.

Next, Mr. Hume discussed the planning efforts regarding the 2004 Arizona Water Settlement Act. He reminded the committee that the Arizona water settlement has provided New Mexico with 14,000 acre-feet of additional water on the Gila River and up to \$128 million in federal funding. Mr. Hume explained that the governor's office has initiated a process of scientific studies and public participation aimed at developing an inclusive and well-informed strategy for further development of water resources in southwest New Mexico.

Finally, Mr. Hume summarized several of the recent water successes New Mexico has enjoyed. He noted the recent arrangement for deliveries below Eagle Nest Lake, as well as implementation of the Pecos River settlement. Mr. Hume did point out that while the state has funded much of the implementation of the Pecos River settlement, he believed that the region will have to assume a greater portion of the continuing costs. Mr. Hume also discussed projects funded by the Governor's Water Innovation Fund, explaining that the Governor's Blue Ribbon Water Task Force is studying the various projects so that the most successful of them can be publicized and replicated throughout the state. He also mentioned the implementation of the state water plan, active water resource management, regulations and limits on domestic wells and the pilot channel above Elephant Butte Lake, which helped New Mexico make its compact deliveries to Texas.

Mr. Hume concluded by emphasizing that cooperation between the governor and the legislature would help make the year of water a successful one.

Questions and comments focused on:

- introduction of bills that failed in past legislative sessions that addressed many of the governor's current priorities;
- involvement of the courts in water adjudications;
- settlement offers helping speed up long adjudication cases;
- the governor's veto of \$75 million for Indian water rights settlements;
- plans for smaller water systems in New Mexico;
- salt cedar removal in the San Juan River basin;
- involvement of the New Mexico Department of Agriculture in the governor's water agenda;
- growth and development issues in Dona Ana County;
- filing of a lawsuit that alleges that the statute governing the state engineer's ability to approve permits for domestic wells is unconstitutional;
- status of potential litigation between New Mexico and Texas over water;
- uses for grey water systems; and
- nature of river flow measurements and compact delivery obligations.

2006 Interim Scope of Work, Itinerary and Meeting Schedule

The committee developed the following work plan and approved the following meeting dates. The committee proposes to focus on the following primary topics:

1. funding the Water Trust Fund;
2. financing large water projects; and
3. the drought and the need to conserve water.

Agenda items that the committee will hear testimony on include:

- water rights files transfers out of field offices;
- the proposed Surface Owner Protection Act;
- the definition of surface water;
- acequia issues;
- bosque projects;
- the proposed Land, Wildlife and Clean Energy Act;
- the Forests and Watershed Institute at New Mexico Highlands University; and
- private water development financing.

Committee meeting dates and locations:

June 16, Santa Fe

July 18-19, Santa Fe

August 21-22, Las Vegas

September 21-22, Elephant Butte

October 12-13, Artesia

November 29-30, Santa Fe

There being no further business, the committee adjourned at 12:35 p.m.