

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

June 4, 2010
Room 322, State Capitol
Santa Fe

Present

Rep. Andy Nuñez, Chair
Rep. Paul C. Bandy
Rep. Ray Begaye
Rep. Joseph Cervantes
Rep. Thomas A. Garcia
Rep. William J. Gray
Sen. Clinton D. Harden, Jr.
Rep. Dona G. Irwin
Rep. Larry A. Larrañaga
Rep. Kathy A. McCoy
Sen. George K. Munoz
Sen. Mary Kay Papen
Sen. Sander Rue
Rep. Mimi Stewart

Advisory Members

Sen. Rod Adair
Rep. Anna M. Crook
Rep. Brian F. Egolf, Jr.
Rep. Ben Lujan
Rep. James Roger Madalena
Sen. Nancy Rodriguez
Rep. Jeff Steinborn
Sen. Peter Wirth

Absent

Sen. Phil A. Griego, Vice Chair
Sen. Mary Jane M. Garcia
Sen. Steven P. Neville
Sen. Gerald Ortiz y Pino

Sen. Vernon D. Asbill
Sen. Carlos R. Cisneros
Rep. Nora Espinoza
Rep. Candy Spence Ezzell
Sen. Dede Feldman
Sen. Timothy Z. Jennings
Sen. Gay G. Kernan
Sen. Cisco McSorley
Rep. Danice Picraux
Rep. Henry Kiki Saavedra
Rep. James R.J. Strickler
Rep. Don L. Tripp

Staff

Jon Boller
Kim Bannerman
Jeret Fleetwood

Guests

The guest list is in the original meeting file.

Friday, June 4

Representative Nuñez began the meeting by having members of the committee and staff introduce themselves.

Improving Efficiency and Possible Restructuring: Working with the Government Restructuring Task Force

Paula Tackett, director of the Legislative Council Service (LCS), provided the committee with a brief overview of the mission of the Government Restructuring Task Force (GRTF), explaining that the GRTF is requesting other legislative interim committees to focus their efforts primarily on examining the programs and missions of the agencies that the committees oversee with an eye toward making those agencies more efficient and by identifying the critical core functions provided by those agencies. Committees should rank the programs vis-a-vis core criticality and provide guidance and recommendations to the GRTF, which is charged with making recommendations for restructuring state government and reporting to the Legislative Finance Committee as it works to prepare the budget for the upcoming year.

Ms. Tackett also noted that the New Mexico Legislative Council had directed staff to develop a calendar that would reduce quorum problems and conflicts among committee meeting dates and to trim the overall number of meeting days for all committees. She pointed out that avoiding all conflicts will not be possible because of the large number of committees and the number of committees on which members have been appointed to serve. Ms. Tackett also noted that national committee appointments had also been taken into consideration in developing the calendar.

Ms. Tackett went on to note that, in an effort to cut down on travel costs for members, legislative staff and other state agencies, the council also directed staff to notify each of the committees that all interim committee meetings be held in the State Capitol this interim unless the committee includes specific justification for traveling out of Santa Fe. The council indicated that it will look very carefully and critically at those requests and only grant them in the rarest of circumstances.

Finally, Ms. Tackett indicated that she will be retiring as of June 11 and thanked the committee members for letting her serve as director of the LCS.

Questions and comments included the following:

- costs associated with state government agencies and legislative staff should be lower by holding meetings in Santa Fe;
- committees should look at how agencies have expanded their services and make recommendations to the GRTF regarding which ones are the most critical to each agency's functions and which are less so;

- the GRTF is requesting interim committees to make recommendations by September;
- holding all interim committee meetings in Santa Fe is not a permanent arrangement; and
- there are over 250 boards and commissions associated with New Mexico state government, many of which pay per diem and mileage to their members, which costs the state a significant amount of money.

Status Reports — Office of the State Engineer and Interstate Stream Commission

John D'Antonio, state engineer, provided the committee with an update regarding the operations of the Office of the State Engineer (OSE). He began by noting that the OSE was the only state agency that received the New Mexico Pinon Recognition Award from Quality New Mexico, a nonprofit organization that promotes and congratulates excellence among New Mexico agencies and businesses.

Mr. D'Antonio and Estevan Lopez, director of the Interstate Stream Commission (ISC), went on to provide the committee with updates on several of the major projects involving the ISC or the OSE. They began by discussing the various Indian water rights settlements, noting that pre-construction activities on the Navajo Nation water rights settlement project have already begun. Mr. D'Antonio and Mr. Lopez also discussed the *Taos Pueblo* and *Aamodt* settlements, pointing out that there is a continuing need for state cost-share funding.

Mr. D'Antonio and Mr. Lopez went on to discuss some of the issues regarding the Rio Grande, noting that a credit of 180,000 acre-feet of water had been built up by the end of 2009. They also discussed a new middle Rio Grande biological opinion for the Rio Grande silvery minnow and the southwest willow flycatcher, explaining that while the existing opinion provides for compliance until 2013, reduced water availability, a desire for a program that focuses more on long-term endangered species recovery and the threat of new endangered species litigation suggest that development of a new opinion will need to be developed in the next couple of years.

Mr. D'Antonio and Mr. Lopez then discussed issues regarding the Colorado and the Gila rivers, noting that seven Colorado River Basin states are working to develop drought management strategies and that a Colorado River Basin-wide supply and demand analysis is being conducted.

Mr. D'Antonio and Mr. Lopez also discussed the Strategic Water Reserve, the status of Active Water Resource Management, dam safety and the status of major water litigation in New Mexico.

Questions and comments included:

- the amount of money spent on various lawsuits, settlements and projects;
- that state funding allows the OSE and ISC to leverage significant federal funding, but the state needs to hold up its end of cost-sharing agreements;
- that New Mexico needs to fund existing projects and settlements before beginning new ones;

- details of the proposed contract with Intel regarding the transfer of its water rights to the state and New Mexico's resulting obligations to Intel;
- that Intel has acquired about 740 acre-feet of water rights over the past 15 years;
- use of the Strategic Water Reserve for middle Rio Grande endangered species issues;
- the OSE authority to declare critical management areas and where that authority comes from;
- that the Salt Basin aquifer study has been completed, but vast amounts of raw data still must be reviewed;
- the source of funding for the New Mexico Irrigation Works Construction Fund;
- that changing circumstances in some areas require updating regional water plans, some of which are 15 years old;
- the ability of tribes to sell their water rights if no settlement exists;
- law enforcement authority of special masters;
- that the governor has indicated his desire not to use Gila settlement funding for dams or on anything else that may damage the area ecosystem;
- water rights transferred to the state as part of the Intel deal would go to the Strategic Water Reserve for federal Endangered Species Act and compact compliance; and
- that the state has spent about \$70 million to buy land with water rights along the Pecos River as part of the settlement there and received about \$1 million for reselling the land (minus the water rights).

2010 Interim Work Plan, Itinerary and Meeting Schedule

The committee adopted the proposed meeting dates and Santa Fe meeting locations, as well as the proposed work plan with the following amendments:

- discussion of the Industrial Hemp Farming Act;
- update on the terms of the *Aamodt* water rights settlement;
- agricultural trends;
- conservation as it relates to beneficial use of water;
- merger of the Organic Commodity Commission and the New Mexico Department of Agriculture;
- deep well drilling permit process;
- Utton Transboundary Resources Center and Joe M Stell Ombudsman program update; and
- the proposed ISC contract with Intel.

There being no further business, the committee adjourned.