

NEW MEXICO RESPONSE TO
CURRENT STATUS OF NATIONAL WATER POLICY

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Thank you, Carol; Fellow Conservationists:

Jerry, one thing that's troubled me is whether, in fact, anybody gave careful consideration to the question whether our national water policy needed reconstruction. Knowing that you weren't there at the time that decision was made leaves me a little unassured yet.

Just a couple of statistics. Irrigated land represents roughly ten percent of the crop land in the United States and produces about twenty-five percent of our food and fiber, which is so important to us nationally, and more and more important internationally.

If you just take a map of the seventeen western states and spot on there the reclamation projects, you fairly well outline the economic base of the western United States. I think that's not entirely coincidental. I think it's not unreasonable to suggest that World War II might have come out differently had it not been for the water and power made available by the Boulder Canyon Project.

A rancher friend of mine, who has a lot of experience with mechanisms and a lot of common sense, puts it this way: "If it ain't broke, don't fix it!"

Jerry mentioned the state grant program where the administration has proposed that the appropriations for grants to the states for water planning and water management be increased from about \$3 million to about \$25 million, roughly an eight-fold increase. As Jerry says, currently we get about \$50,000 a year by way of grants for water planning. The new proposal would give New Mexico about \$350,000 at the \$25 million rate for water management, and I think planning would also be included in the final bill. This is roughly twelve percent of the State Engineer's operating budget. At the current rate of grants, state water resources administrators are a little nervous about the continuing availability of that appropriation. And if you jack that up eight-fold, I think that the state water resource agencies are going to be precariously dependent on federal grants, and that an avenue would be provided for federal encroachment on the water rights administration prerogatives of the states. And if you see some of the objectives of the administration bill, you can see cause for concern.

It involves a federal assumption that there's something intrinsically evil about groundwater mining. We do a great deal of that in New Mexico and I think it is not intrinsically evil. There also seems to be concern that we have not sufficiently protected in-stream values, and I think for reasons that I'd better not try to go into now, that's not valid.

A "Blue Ribbon Panel" of educators has recently said that no educational administrator needs to be reminded that federal money means pervasive bureaucratic control. Now, it may be that water management administrators need to be reminded of that. I think the one way that we can be assured that there will not be the encroachment that I am concerned about, is that the federal grants are minimal, or unconditional. I rather doubt that the Congress is going to find the latter acceptable.

It's my view that the \$50 million that has been proposed for water management and water conservation would be better spent distributed among the programs of the Bureau of Reclamation, Corps of Engineers, and the Soil Conservation Service. These programs have been invaluable to us.

Jerry has also addressed the independent project review function that has been assigned to the Water Resource Council. Under the proposed rules and procedures, any project or separable unit of a project that has been authorized but upon which construction has not been initiated, would be subject to that review, subject to a review of the same intensity as a feasibility report to be submitted to the Congress for authorization of a project. This involves three important projects in New Mexico: The Brantley Project, a dam and reservoir above Carlsbad, principally for safety of dams purposes, authorized in 1972; the Hooker and Animas-La Plata Projects, authorized in 1968 in the same legislation that authorized the Central Arizona Project. At best this would be, in my opinion, an unjustified delay. There would have to be essentially a new feasibility report prepared on those projects, as I read the rules and regulations.

Now, the review of a project already authorized, under newly adopted federal water policy, with the objective of substantially altering or eliminating that project, would be disruptive and disappointing and unfair to the people and the local governments that have relied upon that federal commitment.

Now, where the project is a part of a basin-wide water development, a comprehensive water development, such as the projects authorized by Public Law 90-537 in 1968, including our Animas-La Plata and Hooker projects, that inequity is even more evident. That law authorized projects in both the upper basin and lower basin of the Colorado River. It represented the culmination of years of controversy and litigation and negotiation among the seven states and the federal government. To renege on some of the federal commitments while fulfilling others in that act, would tend to destroy any foundation for cooperation among the states and the federal government in matters involving water projects or other legislative concerns. Certainly it would be more equitable to renege on all of those commitments than to meet some of them and not meet the others. I don't think we would deal that way with Mexico or any other foreign government.

I don't think we should deal that way with our own states. Certainly projects or separable units of projects that have been delayed to provide an orderly construction schedule or because of budget constraints should not be penalized.

With respect to cost-sharing, the draft legislation that Jerry mentioned, the legislation that was circulated by Assistant Secretary of the Interior Guy Martin, would have had some profound effects in New Mexico. I think the legislation that Jerry indicates will be introduced next week would be less severe. While I haven't seen it, Jerry's remarks indicate that even that legislation may cause us considerable concern. We analyzed the draft that had been circulated and found a total impact on New Mexico of \$161.3 million; \$26.8 million of that would be the state's "front-end money" that Jerry mentioned. About \$21 million of that would have been recoverable from project revenues. I think that one statistic says something. The Commissioner of Reclamation agreed with me in a conference that cost-sharing, the state's front-end money, was largely symbolic from the federal point of view, but I told him that that is a matter of some substance from the state point of view. Really what it effects is to ask the state to share with the federal government the banker's role in the project, and considering the relative resources of state and federal government, as Jerry indicates he has, this seems neither necessary nor advisable.

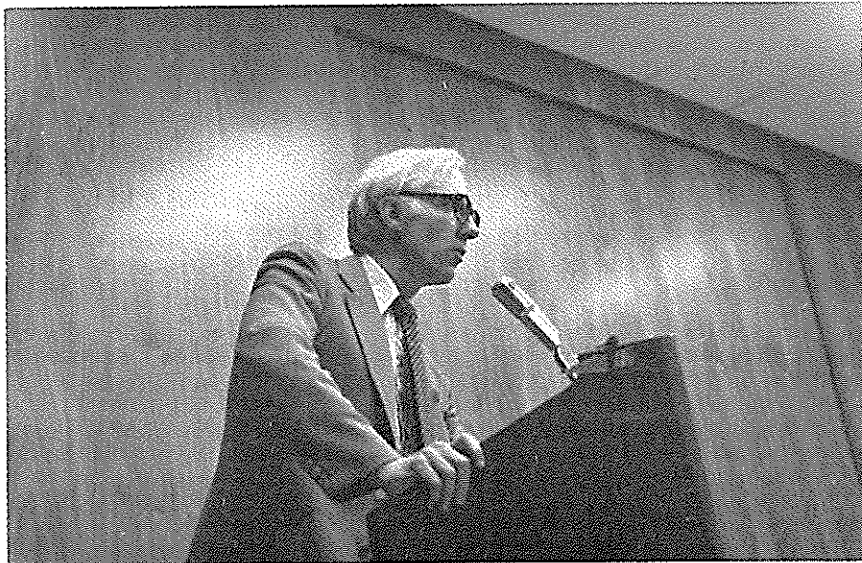
With respect to flood control projects, that is the state's contribution to the cost of non-vendible project outputs, it seems to me that the current cost-sharing provision for flood control projects is appropriate. Under those projects, the local interests pay the costs of rights-of-way and easements except for those costs related to reservoir projects. It seems to me that the people should have the necessary protection to life and property whether or not state and local governments are in a position to make that twenty-five percent contribution to the cost of the flood control project.

I am pleased by Jerry's assurance that this "safety of dams" question has been taken out of the bill. That single item of the bill would have cost the Carlsbad Irrigation District, could it afford it, \$133 million. Those of you who know that district know that that wouldn't work, but that was proposed despite the fact that in authorizing the project in 1972, the Congress found that the elimination of a federally created danger at federal cost is reasonable and sound as a matter of logic and principle. I am most appreciative if the administration now sees that just as the Congress did in 1972.

Perhaps the most repugnant in that draft bill, and I hope this is also gone, is the section that would authorize voluntary contributions by the states to projects that had already been authorized; the provision being that if the states made such voluntary contributions, then they would be given priority consideration in the President's budget proposals. Now certainly, my experience tells me, if I'm going to get favorable

consideration for doing something, and I don't do it, I'm not apt to get much consideration. This puts us in what I believe is unfair competition for funding for water projects with states like Texas and California that probably need help a lot less than we do.

Thank you very much.



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