

Remarks by Mark S. Sanchez  
Senate Committee on  
Energy and Natural Resources  
Regarding Senate Bill 1171  
June 27, 2007

Mr. Chairman and members of the Committee, my name is Mark Sanchez. I am the executive director of the Albuquerque Bernalillo County Water Utility Authority which provides water and wastewater service to the Albuquerque Metropolitan Area. The Authority is the successor in interest to the City for rights to the San Juan-Chama project which was authorized in Public Law 87-483.

The Authority would like to thank the Committee for the opportunity to testify on Senate Bill 1171 and specifically acknowledge the leadership of Chairman Senator Bingaman and Senator Domenici on this important settlement and legislation. We would also like to recognize the State of New Mexico, the Navajo Nation and others who have worked very hard on negotiating this settlement.

We understand that S. 1171 settles the Navajo Nation's water rights claims on the San Juan River in New Mexico in addition to providing water supplies for the Navajo-Gallup water supply project. The Authority clearly supports settling the Navajo claims and strongly endorses the need for providing drinking water under the Navajo-Gallup water supply project.

My testimony today is focused on the impacts of the settlement on the long-term availability of water from the San Juan-Chama project, which

diverts water from southern Colorado into New Mexico by way of the San Juan River and the Rio Chama. Specifically, I would like to provide some background on the project and explain why it is so critical to our future and share some concerns and recommendations on S. 1171.

First, some background on the project:

The City signed a contract for 48,200 acre-feet per year of San Juan-Chama water in 1965. To date, we have invested more than \$50 million for San Juan-Chama water and will continue to make payments until 2020.

At the time the contract was signed, the surface water was intended to offset the impacts of using groundwater. The belief was that the San Juan-Chama water being diverted into the Rio Grande would continually recharge Albuquerque's aquifer, thereby ensuring adequate groundwater supplies in perpetuity.

However, in 1994, the United States Geological Survey published a report that completely changed our understanding of the aquifer. The recharge effect was not occurring as we had believed, and the conclusion was that sole reliance on the aquifer would lead to its eventual depletion and to widespread land surface subsidence.

In 1995, the City immediately began a water conservation program and began looking at alternatives to groundwater. The solution was to use surface water from the San Juan-Chama Project as our new drinking water source, and we have since undertaken a \$450 million locally funded effort to make that a reality. This effort, which we call the San Juan-Chama Drinking Water Project, includes a new diversion dam and pump station on the Rio Grande, a state-of-the-art water treatment plant, and forty-six miles of raw water and transmission pipelines to integrate the surface water into

the existing water system. The project will come on-line in 2008 and will represent 90% of our drinking water supply. It will be our primary water source well into the future.

We are not the only area relying on San Juan-Chama water. In addition to Authority, there are more than fifteen San Juan-Chama contractors, including the City of Santa Fe and the City of Espanola that are planning and developing direct diversion and use of San Juan-Chama water. From a population perspective, San Juan-Chama water will meet the demands of almost 40% of the State of New Mexico in the Rio Grande valley. It is critical that these interests are protected in this settlement.

The Authority does have some very specific comments and recommendations about the legislation, and I have provided a detailed discussion of these for inclusion in the record. I will attempt to briefly summarize our major concerns and recommendations for the Committee:

First, on the issue of shortages. How they are apportioned and calculated is of critical importance, but in our opinion the legislation remains unclear on this point. We believe that a sharing-of-shortages agreement should be arrived at as part of or in advance of the final legislation, to avoid any future confusion or misinterpretation of the settlement.

The Authority has commissioned an independent hydrologic analysis of Settlement impacts on the San Juan-Chama project as they relate to frequency and extent of shortages. We would value an opportunity to share the results of this study with all the parties concerned as soon as those results are available.

Second, on the role of the State. The legislation includes language that allows the State of New Mexico to arbitrarily reduce the amount of water

for Navajo Reservoir contractors and the San Juan-Chama project. This, in our opinion, would be a violation of the State constitution, which requires priority Administration of water rights for all water rights holders. We would recommend that this provision be deleted.

Third, on the Bureau of Reclamation. The Bureau of Reclamation has produced many different hydrologic analyses of the available water supply, and it is unclear what number of acre feet will be available on an average yearly basis. It should also be noted that there are concerns about how efficiently the Bureau is operating the San Juan-Chama project. The legislation should require the Bureau to be held to a higher standard of efficiency and accountability with regard to maximizing the diversions on the San Juan River that are allowed under Public Law 87-483. Any potential impacts from future reductions in San Juan-Chama diversions as a result of this settlement could be significantly reduced by maximizing the operations of the San Juan-Chama project.

That concludes my prepared remarks. I would like to thank the members of the Committee for taking the time to hear the Authority's input on behalf of the Albuquerque Metropolitan Area.

We remain optimistic that the issues I have raised today can be resolved among the parties and we look forward to working to that end.

I would be happy to answer any questions that members of the Committee may have.