**Greetings Lisa**,

Here is what I sent the New Mexican reporter in response to her story today on the settlement money veto. Distribute it to the 3RWTF if you wish.

Regards, 3ill H.

From: Hume, William, GOV

**Sent:** Thursday, March 09, 2006 4:21 PM

To: 'jgrimm@sfnewmexican.com'

Cc: Dantonio, John, OSE

**Subject:** Aamodt Settlement story

Greetings Ms Grimm:

write in response to your story this morning about the Indian Water Rights Settlement contingent capital outlay veto. Having been on your side of the pen, I know the difficulty of dealing with a complex issue such as this with the space allocated to the day's story. The fiscal consequences of allowing that contingent appropriation to stand would have put the Richardson administration in the position of having appropriated, on a contingent basis, money that was earmarked as education reform lockbox money – and \$5 million more than was available. In addition, that same fund, the appropriations contingency fund, is the one from which emergency appropriations for fire suppression and drought mitigation will be drawn. The governor didn't wish to have any question about the availability of funding for those contingencies as the long, hot, dry summer looms closer.

The governor, as a precaution, wrote today to each of the pueblo governors in the Aamodt case, to the governor of Taos Pueblo and to the president of the Navajo Nation, reiterating his commitment to make certain that state funding will be available in a timely manner to meet appropriate state costs in these settlements. Our commitment to fair settlements of the pending Indian water rights cases has never wavered.

None of these settlements are at the stage where the state share has been determined and agreed upon. The Navajo settlement is the closest in that regard – and state lawyers are in Washington today working to move that settlement forward in the federal egislative process.

The legislative leadership didn't consult with the governor's office on how, or whether, money should be appropriated this year for Indian water rights settlements. State Engineer John D'Antonio was briefed on what was coming, and he did convey that information to this office in a timely manner. However, the timing of the move left us no time to fully analyze the fiscal implications of this contingent appropriation and consult with the legislative leadership on the advisability of this method. We were left with the choice of sign and face deserved criticism for fiscal irresponsibility, or veto and face the current response. Since as a practical matter, the lack of state funding this year will not of itself slow any of the Indian water rights settlements even one day, the governor opted for fiscal responsibility coupled with a reiteration of his commitment to funding the settlements at the appropriate time.

I would be happy to talk with you directly if I could amply further on any of these points. My desk number is 476-2206, my cell is 263-9939.

Regards, Bill Hume Director of Policy and Issues Office of Gov. Bill Richardson Suite 400 State Capitol Santa Fe, NM 87501 (505) 476-2206

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