

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

**November 25-26, 2024
State Capitol, Room 307
Santa Fe**

The sixth meeting of the Water and Natural Resources Committee was called to order by Representative Matthew McQueen, chair, at 9:07 a.m. on November 25, 2024 in Room 307 of the State Capitol in Santa Fe.

Present

Rep. Matthew McQueen, Chair
Sen. Elizabeth "Liz" Stefanics, Vice Chair
Rep. Gail Armstrong (11/25)
Sen. Pete Campos
Rep. Kathleen Cates
Rep. Joanne J. Ferrary
Rep. Miguel P. García (11/25)
Rep. Susan K. Herrera
Rep. Tara L. Lujan
Rep. Kristina Ortez (11/25)
Rep. Debra M. Sariñana (11/26)
Sen. Pat Woods
Rep. Martin R. Zamora

Advisory Members

Sen. Linda M. López
Rep. Rod Montoya
Sen. Antoinette Sedillo Lopez (11/25)
Sen. Jeff Steinborn (11/25)
Sen. Peter Wirth

Absent

Sen. Joseph Cervantes
Rep. Marian Matthews
Sen. Steven McCutcheon II
Rep. Andrea Romero
Rep. Larry R. Scott

Sen. Crystal Brantley
Rep. Christine Chandler
Rep. Jack Chatfield
Rep. Candy Spence Ezzell
Rep. Jenifer Jones
Sen. Gerald Ortiz y Pino
Rep. Cristina Parajón
Sen. Shannon D. Pinto
Rep. William "Bill" R. Rehm
Rep. G. Andrés Romero
Rep. Patricia Roybal Caballero
Sen. Benny Shendo, Jr.
Rep. Nathan P. Small
Sen. Mimi Stewart

Guest Legislators

Rep. Micaela Lara Cadena (11/26)

Sen. Harold Pope (11/26)

(Attendance dates are noted for members not present for the entire meeting.)

Staff

Sara Wiedmaier, Researcher, Legislative Council Service (LCS)

Tom Kricka, Staff Attorney, LCS

Angela Dakan, Staff, LCS

Andrea Martinez Cordero, Intern, LCS

Minutes Approval

Because the committee will not meet again this year, the minutes for this meeting have not been officially approved by the committee.

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the recorded webcast of the committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

Monday, November 25

Welcome and Introductions (9:07 a.m.)

Representative McQueen welcomed everyone to the meeting and asked committee members and staff to introduce themselves.

Citizen Science Working Group (9:13 a.m.)

Kate Cardenas, community engagement coordinator, Department of Environment (NMED); Toby Velasquez, director, State Parks Division, Energy, Minerals and Natural Resources Department (EMNRD); and Michael Sloane, director, Department of Game and Fish (DGF), presented the citizen science working group's recommendations for expanding the involvement of the public in scientific research projects across certain state agencies and partnering organizations. They advocated for funding to establish a team of program coordinators. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=1>.

New Mexico Climate Investment Center (NMCIC) (10:09 a.m.)

Beth Beloff, founder and chief executive officer, NMCIC, and Christian Casillas, executive director, Coalition of Sustainable Communities New Mexico, discussed the NMCIC's mission to reduce energy burdens in low-income communities and to help provide for an equitable transition to a decarbonized state economy. They discussed projects, investment strategies and partnership models to provide low-interest loans and leases for clean energy services in underserved low- and moderate-income communities. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=2>.

DGF: Budget and Staffing Priorities (10:51 a.m.)

Mr. Sloane discussed the \$53.9 million budget request for the DGF. He said that the DGF's budget has been flat for the last six years and stated license fee increases are needed to avoid significant fiscal issues by 2029. He said that the department has a staff vacancy rate of 12% and without a budget increase, it will be difficult to meet salary demands for quality candidates without having to cut programs.

Office of the State Engineer (OSE) and Interstate Stream Commission (ISC): Budget and Staffing Priorities (12:47 p.m.)

Rebecca Roose, infrastructure advisor, Office of the Governor; Elizabeth Anderson, state engineer, OSE; and Hannah Riseley-White, director, ISC, discussed funding requests and budget objectives for the OSE and ISC, noting the critical nature of salary adjustments to retain and recruit qualified technical staff. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=4>.

EMNRD: Budget and Staffing Priorities (1:44 p.m.)

Melanie A. Kenderdine, secretary-designate, EMNRD; Ben Shelton, acting deputy secretary and general counsel, EMNRD; and Matthew Lovato, director, Administrative Services Division, EMNRD, discussed funding requests and budget objectives for the EMNRD. Ms. Kenderdine highlighted the significant vacancy rates and staffing needs of the EMNRD's various divisions, as well as department operations, balance reversions and special appropriation requests. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=5>.

Approval of Minutes (2:55 p.m.)

On a motion made and seconded, and with no opposition, the minutes of the October 28-29, 2024 meeting were approved.

NMED: Budget and Staffing Priorities (2:57 p.m.)

James C. Kenney, secretary, NMED, discussed funding requests and budget objectives for the NMED and highlighted how the department has reduced its vacancy rate to 5% due to staff compensation increases. The agency is seeking \$218 million to create a new compliance and enforcement division and for cleanup of contaminated sites across the state, among other initiatives. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=6>.

Public Regulation Commission (PRC): Budget and Staffing Priorities (3:41 p.m.)

Cholla Khoury, chief of staff, PRC, and Miranda Mascarenas, chief financial officer and director, Administrative Services Division, PRC, discussed the PRC's funding requests and budget objectives. The commission's main budget goals are to maintain low vacancy levels through adequate compensation, reforming processes and increasing capacity and to modernize the agency's information technologies. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=7>.

Public Comment (4:05 p.m.)

A list of individuals who made public comment is available in the meeting file.

Recess

The meeting recessed at 4:21 p.m.

Tuesday, November 26**Reconvene**

The meeting reconvened at 9:07 a.m. Representative McQueen stated that the committee would not be endorsing any bills but that members could ask questions and give feedback on proposed legislation.

Per- and Polyfluoroalkyl Substances (PFAS) Product Restrictions (9:08 a.m.)

Representative Ferrary; Mr. Kricka; and Zachary Ogaz, general counsel, NMED, discussed a proposed bill to prohibit certain products and require disclosure of information and testing of products that contain intentionally added per- or poly-fluoroalkyl substances. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=8>.

Power Up New Mexico (9:43 a.m.)

Representative Dayan Hochman-Vigil discussed a proposed bill to establish electric grid planning requirements and authorize the PRC to adopt rules regarding tariffs and electrification targets and plans. The bill would allow electric public utilities to offer incentives to customers and recover costs for beneficial electrification programs. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=9>.

Low-Income Solar Net Metering Protections (10:32 a.m.)

Senator Stefanics and Christian Casillas, executive director, Coalition of Sustainable Communities New Mexico, discussed a proposed bill that would add a definition for "low-income customer" to the Public Utility Act and exempt low-income customers from rate riders for new interconnected customers. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=10>.

DGF and State Game Commission: Reform and Funding (10:59 a.m.)

Representative McQueen discussed a proposed bill to reform the state game commission appointment process, set term limits for commissioners and create a state wildlife commission nominating committee. The bill would also rename the DGF as the Department of Wildlife, expand the management of wildlife and provide for fee adjustments to support the department's budget. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=11>.

Oil and Gas Setbacks (12:48 p.m.)

Representative Sariñana and Colin Cox, staff attorney, Center for Biological Diversity, discussed a proposed bill to add a definition for "children's health protection zone" to the Oil and Gas Act and restrict oil and gas development in those zones. The bill would require oil and gas operators to create a protection zone map, implement a leak detection and response plan and conduct water quality testing and would provide penalties for operators that are in violation of the Air Quality Control Act. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=12>.

Energy Storage System Tax Credit (1:33 p.m.)

Representative Sariñana and Jim DesJardins, executive director, Renewable Energy Industries Association of New Mexico, discussed a proposed bill that would create income tax

credits to incentivize development of residential and nonresidential energy storage systems. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=13>.

Strategic Water Supply (2:08 p.m.)

Secretary Kenney, Ms. Anderson, Mr. Shelton and Ms. Roose discussed legislative priorities that include General Fund appropriation requests for water projects, aquifer mapping and research; establishing a fee on produced water generated in the state; and establishing a strategic water supply fund. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=14>.

OSE Enforcement Changes (3:14 p.m.)

Ms. Anderson; John T. Romero, P.E., director, Water Rights Division, OSE; and Lara Katz, deputy general counsel, OSE, discussed a proposed bill that would increase penalties for a violation of water law and provide for automatic annual increases in penalties to account for inflation. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=15>.

State Surface Water Permitting Program (3:39 p.m.)

Shelly Lemon, chief, Surface Water Quality Bureau, Water Protection Division, NMED, discussed the surface water discharge permitting program that is in development for the protection of state waters no longer covered by the federal Clean Water Act; a proposed Pollutant Discharge Elimination System Act; and proposed amendments to the Water Quality Act. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=11/25/2024&ItemNumber=16>.

Adjournment

There being no further business before the committee, the meeting adjourned at 4:15 p.m.