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FISCAL IMPACT REPORT

ORIGINAL DATE 2/17/16
SPONSOR Romero **LAST UPDATED** _____ **HJM** 9

SHORT TITLE Study ABQ-Bernalillo County Water Authority **SB** _____

ANALYST Clark

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Up to \$5.0	Up to \$5.0		Up to \$10.0	Nonrecurring	General Fund

Parenthesis () indicate expenditure decreases

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

House Joint Memorial 9 requests the Public Regulation Commission (PRC) and the Legislative Finance Committee (LFC) study the ability of the Albuquerque-Bernalillo County Water Utility Authority (“Authority”) to accomplish its required duties and responsibilities to its consumers, its community, and the region and to identify alternative approaches to the composition of the board of directors of the Authority (“Board”). It further requests PRC and LFC enlist assistance from interested stakeholders to collect data, foster dialogue, and identify and recommend strategies that will strengthen the ability of the Authority to meet its current and future water utility needs. PRC and LFC are to obtain stakeholder input on the structure of the Board and to recommend any necessary changes to the appointment or election process for members to the Board.

It also lists a broad array of private and public members to participate in a task force and asks PRC and LFC to report findings and recommendations to the Legislature by December 1, 2016.

FISCAL IMPLICATIONS

There would be a small cost to LFC, PRC, and other agencies requested to participate in the study for mileage, per diem, and other associated costs. There could also be significant costs in terms of staff time to perform research, seek input from a substantial number of individuals and organizations, hold meetings, and develop recommendations.

SIGNIFICANT ISSUES

The Albuquerque-Bernalillo County Water Utility Authority is not subject to PRC jurisdiction or provisions of the Public Utility Act.

The Authority was created in 2003 to make policy decisions about water and sewer usage, set water and sewage rates, and establish drought restrictions and other water regulations and ordinances. The duties of the Authority are complex, and the organization is empowered to approve major water utility projects and to issue bonds to finance those projects.

The Authority's board of directors is currently composed of the mayor of Albuquerque, three city councilors and three county commissioners. The membership of the board may change on an annual basis at the pleasure of the president of the Albuquerque City Council and the chair of the Bernalillo County Commission. Additionally, a member of the Albuquerque City Council may designate another member to serve in the member's absence, a member of the Bernalillo County Commission may designate another member to serve in the member's absence, and the mayor of Albuquerque may designate the chief executive officer of Albuquerque, a member of the Albuquerque City Council, or a member of the Bernalillo County Commission to serve in the mayor's absence.

ADMINISTRATIVE IMPLICATIONS

PRC anticipates a significant workload in 2016; coupled with the current number of staff vacancies, this could present difficulties in having adequate staff available to fulfill the requirements of the joint memorial at certain times.

TECHNICAL ISSUES

The joint memorial lists many stakeholders to participate in a task force, but it does not list LFC or PRC as part of the task force, nor does it ask LFC and/or PRC to convene the task force.

Additionally, the joint memorial lists specific categories of state legislators and other political officials who should be part of the task force but provides no guidance as to who or what entities are to select the particular individuals to serve.

JC/jo