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FISCAL IMPACT REPORT

SPONSOR: Wallace DATE TYPED: 03/04/01 HB 403/aHENRC
 SHORT TITLE: Dept. of Environment Testing & Reporting SB _____
 ANALYST: Belmares

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
			See Administrative Implications section below		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
 Department of Environment (DOE)

SUMMARY

Synopsis of HENRC Amendment

The House Energy and Natural Resources amendment further defines non-transient non-community water systems by adding on page 2, line 7, before the period “including but not limited to schools and factories.”

Synopsis of Original Bill

House Bill 403 will require non-transient non-community water systems to test for arsenic, flouride and radionuclides and to report and notify consumers of water contamination and possible health hazards when a contaminant is found to exceed EPA and state maximum contaminant levels (MCL). Under the current requirements of the federal Safe Drinking Water Act and New Mexico Drinking Water regulations, only community water systems are required to test and notify for arsenic, flouride and radionuclides. Testing and reporting requirements required of non-transient non-community water systems under House Bill 403 would be similar to testing and requirements of community water systems.

Significant Issues

According to the Safe Drinking Water Act and the New Mexico Drinking Water Regulations, public water systems must monitor and test the water it delivers to the public as well as notify the consumers of problems with its water when a contaminant is found to exceed EPA and state maximum contaminant levels (MCL). There is a particular type of public water system categorized as “non-transient non-community.” According to the Safe Drinking Water Act and State of New Mexico regulations, non-transient non-community public water systems do not have to notify its consumers of MCL violations for fluoride, arsenic, and radionuclides.

Consumers of non-transient non-community public water systems typically consume smaller quantities of water from those systems and by extension results in reduced exposure and reduced risk of adverse health effects.

However, the EPA recently finalized a new Arsenic Rule requiring non-transient non-community water systems to test and report for arsenic. The Department of Environment asserts the recent structuring of the Arsenic Rule reflects the EPA’s intent to make sampling and reporting requirements for non-transient non-community water systems more comparable to community water systems and the agency supports this direction.

FISCAL IMPLICATIONS

Current sampling is paid for using funds generated by the water conservation fee. Expanded sampling required by House Bill 403 would have an impact on the Water Conservation Fund.

ADMINISTRATIVE IMPLICATIONS

There are currently 152 non-transient non-community water systems in New Mexico; 59 of these systems are elementary, middle and high schools. The Department of Environment has indicated House Bill 403 would require additional positions to collect and deliver water samples for arsenic, flouride, and radionuclides.

TECHNICAL ISSUE

The Department of Environment has indicated the definition for non-transient non-community water systems is incomplete according to the New Mexico Drinking Water Regulations and should be amended to read: “‘nontransient noncommunity water system’ means a public water system that is not a community water system and that regularly serves at least twenty-five of the same persons for more than six months per year, including but not limited to schools and factories.” This proposed definition is in accordance with federal definitions of non-transient non-community water systems.

POSSIBLE QUESTIONS

The Department of Environment has indicated expanded sampling would require additional full-time equivalent positions; however, the agency has not estimated how many positions and job classification levels.

The Water conservation fund has historically carried large fund balances (has risen steadily from \$1.5 million in 1996 to \$2.4 million in 2000) and may be able to absorb the additional costs

associated with expanded sampling; however, the Department of Environment has not estimated the fiscal impact on the Water Conservation Fund brought on by expanded sampling.

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