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# FISCAL IMPACT REPORT

SPONSOR:	Sanchez	z, M DATE TYPED: 0	02/08/02	НВ	
SHORT TITLE	E: Val	encia Wetlands Wastewater Treatment	t System	SB	SJR 19
			ANALYST		Valenzuela

#### **APPROPRIATION**

Appropriation Contained		_		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		\$0.1 See Narrative			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC files
General Services Department (GSD)
Department of Environment (DOE)
State Land Office (SLO)
Energy, Minerals and Natural Resources Department (EMNRD)
Office of the State Engineer (OSE)

#### **SUMMARY**

# Synopsis of Bill

Senate Joint Resolution 19 would authorize the Property Control Division (PCD) to lease just over 30 acres of state-owned land in Valencia County for the construction and operation of a wetlands wastewater treatment system. The lease would be contingent on PCD approving a facility use plan submitted by Valencia County and the Village of Los Lunas. The initial lease would be 15 years, with two optional 15-year renewals. The state would retain right-of-way easements and provide ingress and egress to the county and village. The state could apply for federal grant money, and the joint-use operators might be eligible for federal domestic assistance programs.

## Significant Issues

State law requires legislative approval for the transfer, trade or sale of state lands with a value in excess of \$100.0, which is accomplished with passage of this joint resolution.

## **Senate Joint Resolution 19 -- Page 2**

Approval of the transfer could likely place this project on the list of projects under the Clean Water State Revolving Loan Fund (CWSRF) or the Water and Wastewater Facilities Grant program. Although, these programs have extensive criteria before a project can be funded. A key consideration in these projects is not simply the construction of a facility, but the technical, managerial and financial capacity of the operator. The criteria help decision makers understand not only the technical problems of community utility systems, but are designed to ensure the operators are capable of effectively managing the system. The Department of Environment works with public water and wastewater facility to develop this capacity on operators.

However, the Environment Departments states concern about the approval of the land transfer before the approval of a facility use plan arguing that without the plan, it is difficult to make any assumptions about the availability of federal or state funds for this project or the adequacy of the land in question for a wastewater facility and constructed wetlands. Both the Environment Department and Office of the State Engineer will be required to approve the required permits to the proposed facility.

The Environment Department suggest that the fourth paragraph be amended to include the "the water and waste management division and the administrative services division of the environment department". These divisions manage the CWSRF and the water and wastewater facilities grant funding programs.

### FISCAL IMPLICATIONS

SJR 19 does not carry an appropriation, but would have a fiscal impact on the state agencies involved as well as the local or county government that will spearhead the project.

MFV/ar