

**FORTY-EIGHTH LEGISLATURE
FIRST SESSION, 2007**

February 27, 2007

Mr. Speaker:

Your **HEALTH AND GOVERNMENT AFFAIRS COMMITTEE**, to whom has been referred

HOUSE BILL 781

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 1, line 16, after "ACT" insert "; RECONCILING MULTIPLE AMENDMENTS TO SECTIONS OF LAW IN LAWS 2003".

2. On page 2, line 18, strike "and" and insert in lieu thereof a semicolon and the paragraph designation "(7)" and after "funding" insert "of water projects".

3. Renumber the succeeding paragraphs accordingly.

4. On page 4, between lines 13 and 14, insert the following new sections to read:

"Section 4. Section 72-4A-5 NMSA 1978 (being Laws 2001, Chapter 164, Section 5, as amended by Laws 2003, Chapter 139, Section 3 and by Laws 2003, Chapter 365, Section 1) is amended to read:

"72-4A-5. BOARD--DUTIES.--The board shall:

A. adopt rules governing terms and conditions of grants or loans recommended by the board for appropriation by the legislature from the water project fund, giving priority to projects that have been identified as being urgent to meet the needs of a regional water planning area that has had a completed regional water plan that is accepted by the interstate stream commission [~~and~~]; that have matching contributions from federal or local funding sources available; and that [~~has~~] have obtained all requisite state and federal permits and authorizations necessary to initiate the project; [~~and~~]

B. authorize qualifying water projects to the [~~authority~~] office that are for:

(1) storage, conveyance or delivery of water to

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end users;

(2) implementation of federal Endangered Species Act of 1973 collaborative programs;

(3) restoration and management of watersheds;

(4) flood prevention; or

(5) water conservation or recycling, treatment or reuse of water as provided by law; and

C. create a drought strike team to coordinate responses to emergency water shortages caused by drought conditions."

Section 5. Section 72-4A-6 NMSA 1978 (being Laws 2001, Chapter 164, Section 6, as amended) is amended to read:

"72-4A-6. [~~AUTHORITY~~] OFFICE--DUTIES.--The [~~authority~~] office shall:

A. provide staff support for the board;

B. develop application procedures and forms for qualifying entities to apply for grants and loans from the water project fund; and

C. make loans or grants to qualifying entities for qualifying water projects authorized by the legislature; provided that the service area for the project is wholly within the boundaries of the state or the project is an interstate project that directly benefits New Mexico."

Section 6. Section 72-4A-7 NMSA 1978 (being Laws 2001, Chapter 164, Section 7, as amended by Laws 2003, Chapter 138, Section 5 and by Laws 2003, Chapter 139, Section 5 and also by Laws 2003, Chapter 365, Section 2) is amended to read:

"72-4A-7. CONDITIONS FOR GRANTS AND LOANS.--

A. Grants and loans shall be made only to qualifying entities that:

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(1) agree to operate and maintain the water project so that it will function properly over the structural and material design life, which shall not be less than twenty years;

(2) require the contractor of the construction project to post a performance and payment bond in accordance with the requirements of Section 13-4-18 NMSA 1978;

(3) provide written assurance signed by an attorney or provide a title insurance policy that the qualifying entity has proper title, easements and rights of way to the property upon or through which the water project proposed for funding is to be constructed or extended;

(4) meet the requirements of the financial capability set by the board to ensure sufficient revenues to operate and maintain the water project for its useful life and to repay the loan;

(5) agree to properly maintain financial records and to conduct an audit of the project's financial records;

(6) agree to pay costs of originating grants and loans as determined by rules adopted by the board; and

(7) except in the case of an emergency, submit a water conservation plan with its application if required to do so and one is not on file with the state engineer, pursuant to Section [~~3 of this 2003 act~~] 72-14-3.2 NMSA 1978.

B. Plans and specifications for a water project shall be approved by the [~~authority~~] office, after review and upon the recommendation of the state engineer and department of environment, before grant or loan disbursements to pay for construction costs are made to a qualifying entity. Plans and specifications for a water project shall incorporate available technologies and operational design for water use efficiency.

C. Grants and loans shall be made only for eligible items, which include:

(1) to match federal and local cost shares;

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- (2) engineering feasibility reports;
- (3) contracted engineering design;
- (4) inspection of construction;
- (5) special engineering services;
- (6) environmental or archaeological surveys;
- (7) construction;
- (8) land acquisition;
- (9) easements and rights of way; and
- (10) legal costs and fiscal agent fees."".

5. Renumber the succeeding sections accordingly.

6. On page 5, line 20, strike "authority" and insert in lieu thereof "office".

Respectfully submitted,

Mimi Stewart, Chair

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

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The roll call vote was 6 For 1 Against
Yes: 6
No: Fox-Young
Excused: Steinborn
Absent: None

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