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FISCAL IMPACT REPORT

ORIGINAL DATE 1-19-2008

SPONSOR Nuñez LAST UPDATED _____ HB 85

SHORT TITLE Regional Water Planning Program SB _____

ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	345.0	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
DFA Files

Responses Received From
Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill:

House Bill 85 seeks to appropriate \$345,000 from the general fund to the Interstate Stream Commission for expenditure in fiscal year 2009 to support the regional water planning program. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

FISCAL IMPLICATIONS

The agency (OSE) analysis does not score this appropriation as either recurring or non-recurring. However, it should be noted that the agency's FY09 budget request included \$345 thousand for updating regional plans as an expansion item within the interstate stream program. This expansion was not supported in either the LFC or executive budget recommendations.

SIGNIFICANT ISSUES

In support of the legislation, OSE advises that regional water planning originated in 1987 as a way to demonstrate and document present and future demand for water within New Mexico. Regional water plans provide the needed basis for demonstrating that New Mexico's water is

needed for New Mexico residents. Water resource assessment in a regional water plan must therefore be reliable and technically accurate and reflect current conditions. To provide this technical accuracy, regional water plans must be updated on a regular basis. Fifteen of sixteen regional water plans are complete, with the first one (Lea County) completed in 1999 - almost 10 years ago. No regional water plans have been completely updated. Ongoing funding is need to document changed hydrologic conditions, new data, implementation of accepted strategies, changed legal and institutional parameters, drought and flood emergencies, and population and demographic shifts. A cornerstone of regional water plans is the local stakeholder involvement. Without adequate funding to facilitate local decision making, regional water plans will not accurately reflect the needs of a particular region.

OSE further indicates that New Mexico State Water Plan (2003) policy supports adequate funding to complete, update and implement regional water plans (Section C. 11). Regional plan updates provide information for State Water Plan updates as required by state statute. Many regions do not have drought strategies and adequate water conservation plans. Many regions require assistance in water management strategies and funding for water development. Each region's plan will require an estimated \$100,000 to update, and the goal is to update four plans per year to fulfill the statutory requirement that calls for updating technical studies, analyzing demand and changes in the legal or institutional framework, and ensuring adequate public involvement, and to prepare drought and conservation plans. This goal was first identified during the 2007 legislative session and \$55,000 was appropriated to meet this goal. The appropriation in this bill is for the difference of \$345,000.

OTHER SUBSTANTIVE ISSUES

OSE advises that this bill originated at a recent annual New Mexico Water Dialog meeting in which it was recommended that regional water planning be funded through this appropriation.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

OSE indicates that if sufficient funding for updating regional water plans is not provided, the state will be less secure in preventing appropriation of its waters to other states. Funding provides the basis for maintaining the accuracy and utility of regional water plans. Further that, "The lack of momentum in developing or improving infrastructure for growing municipal and industrial demand is a consequence of inadequate planning for water resources. Other consequences of not planning are loss of economic potential due to lack of understanding of available water resources, lack of data to assure water supplies for the future, lack of preparedness for drought, negative environmental impacts, and inadequate public input into state and regional water planning decisions."