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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/21/13

SPONSOR Cisneros LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Red River Watershed Planning & Restoration SB 165

ANALYST McCoy

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$100.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Office of the State Engineer/ Interstate Stream Commission (OSE/ISC)  
New Mexico Environment Department (NMED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 165 (SB165) appropriates \$100,000 from the general fund to the Environment Department in fiscal year 2014 to conduct community-based watershed planning for river restoration of the Red river.

### FISCAL IMPLICATIONS

The appropriation of \$100,000 contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund. The NMED indicates the department currently manages a federal program that can absorb the marginal administrative and oversight costs entailed with the appropriation.

## **SIGNIFICANT ISSUES**

According to the New Mexico Environment Department (NMED) watershed planning is a crucial initial component to restoring and protecting New Mexico's rivers. The NMED reports, the water quality of the Red River and its watershed has been adversely affected by numerous sources, including mining activities in the upper watershed, the Molycorp mine and tailings, septic tanks, and livestock access to the river corridor. Many of these sources are known as "non-point" sources which are a major contributor to surface water pollution in some watersheds. The NMED also reports, the Red River and its tributaries experience an estimated 107,000 angler-days per year. At \$60 per angler-day, an estimated \$6.5 million per year is spent within the Red River watershed and surrounding communities. The department also indicates SB165, by funding community-based watershed planning project for restoration of the Red River, would identify a means of protecting and improving an economic resource.

The Office of the State Engineer/ Interstate Stream Commission (OSE/ISC) points out, water rights may need to be acquired to implement projects stemming from the watershed planning process. For example, any projects stemming from the planning process that increase depletions on the Red River may need to be offset fully with valid water rights.

## **ADMINISTRATIVE IMPLICATIONS**

Utilizing federal Clean Water Act §319(h) grants from the U.S. Environmental Protection Agency to fund the NMED Nonpoint Source Management Program, the NMED supports watershed planning and "on the ground" projects by funding watershed protection projects, similar to those required by SB165, to reduce surface water contamination from non-point sources. The NMED notes, SB165 would expand agency's existing watershed protection efforts.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB165 is related to the Healthy Rivers proposal included in the NMED Infrastructure Capital Improvements Plan for 2014-2018 (ICIP). The NMED notes, the Healthy Rivers projects are selected through a competitive request for proposals (RFP) and projects identified under SB165 in the Red River watershed would be considered, but not guaranteed funding under the Healthy Rivers program. The NMED adds, the appropriation in SB165 would count toward the state match required for the agency's grant under the federal Clean Water Act § 319 program.

MTM/bm