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## FISCAL IMPACT REPORT

SPONSOR Campos ORIGINAL DATE 2/1/17  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Morphy Lake Dam Renovation SB 194

ANALYST Armstrong

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
	\$2,000.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Game and Fish (DGF)

Energy, Minerals and Natural Resources Department (EMNRD)

#### Response Not Received From

Office of the State Engineer (OSE)

### SUMMARY

#### Synopsis of Bill

Senate Bill 194 (SB194) appropriates \$2 million from the general fund to OSE for planning, design, flood hazard studies, and construction required to renovate Morphy Lake dam.

### FISCAL IMPLICATIONS

The appropriation of \$2 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY18 shall revert to the general fund.

### SIGNIFICANT ISSUES

Morphy Lake Dam's current condition is rated as "poor" based on field inspection by OSE. In the summer of 2015, OSE requested the owners restrict inflows to the lake based upon the concerns of the dam's condition.

The 2014 General Appropriations Act included \$250 thousand to OSE for planning, design, and flood hazard studies of Morphy Lake Dam. In the past, OSE has indicated the dam owners require additional funding to finalize design and initiate and complete rehabilitation construction. However, the amount needed to complete the planning, design and flood hazard studies was not identified.

While OSE did not provide analysis of SB194, analysis of a similar bill from 2016 (Senate Bill 162) noted that, in addition to this nonrecurring appropriation, the agency indicated grant administration requires OSE to use staff resources that are budgeted for regulation of dams and dam safety activities in the state. Grant administration tasks in 2015 redirected up to 20 percent of dam safety bureaus' time and diminished the ability of the staff to meet performance goals.

### **TECHNICAL ISSUES**

The bill provides for reversion of the appropriation at the end of FY18. One year may be insufficient to complete the studies and construction outlined in SB194

JA/al/jle