

LFC Requester: \_\_\_\_\_

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**  
**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)  
*(Analysis must be uploaded as a PDF)*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 2/21/2025 *Check all that apply:*  
**Bill Number:** H427-341 Original  Correction   
 Amendment  Substitute

**Sponsor:** Rep. Cadena **Agency Name and Code:** DFA-341  
**Short Title:** REAL-TIME WATER QUALITY MONITORING **Number:** \_\_\_\_\_  
**Person Writing:** Wesley Billingsley  
**Phone:** 505-819-1915 **Email:** Wesley.billingsley@df

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

| Appropriation |      | Recurring or Nonrecurring | Fund Affected |
|---------------|------|---------------------------|---------------|
| FY25          | FY26 |                           |               |
|               |      |                           |               |
|               |      |                           |               |

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

| Estimated Revenue |      |      | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------|---------------|
| FY25              | FY26 | FY27 |                           |               |
|                   |      |      |                           |               |
|                   |      |      |                           |               |

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

|              | FY25 | FY26 | FY27 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|------|------|-------------------|---------------------------|---------------|
| <b>Total</b> |      |      |      |                   |                           |               |

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

##### Synopsis:

- **House Bill 427:** Introduced by Micaela Lara Cadena in the 57th Legislature of New Mexico, First Session, 2025.
- **Purpose:** To amend the Water Project Finance Act to promote the use of real-time monitoring data for tracking and monitoring the quality of New Mexico's drinking water.
- **Key Amendments:**
  - **Board Duties:** Prioritize urgent water projects addressing public health and safety, with matching federal or local funding, and necessary permits.
  - **Authorized Projects:** Include storage, conveyance, wastewater treatment, watershed management, flood prevention, water conservation, and now, water quality monitoring.
  - **Authority Duties:** Support the board, develop application procedures, and make loans or grants for water projects and real-time water quality monitoring.
  - **Grant and Loan Conditions:** Ensure proper operation, maintenance, and financial capability of water projects, and include real-time water quality monitoring.
  - **Funding Cap:** Real-time water quality monitoring projects have a cap of \$31.5 million, with a review by June 30, 2027, to consider adjustments.
- **Eligible Items for Grants and Loans:** Include matching federal and local cost shares, engineering reports, construction, land acquisition, legal costs, and real-time water quality monitoring.

#### **FISCAL IMPLICATIONS**

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

#### **SIGNIFICANT ISSUES**

#### **PERFORMANCE IMPLICATIONS**

#### **ADMINISTRATIVE IMPLICATIONS**

By adding the monitoring and protection of water quality as a qualifying water project, the amount available for the other 6 criteria will be less than previous years. This new criterion will only represent a percentage of the 7 criteria and will be outlined in policy. The bill does not allow for more than \$500,000 per application.

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

### **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

In the 2026-2031 ICIP submissions, 53 projects were submitted for water quality monitoring systems, totaling \$360,873,049.

### **ALTERNATIVES**

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

By not enacting this bill, the water project fund will not be used to pay for real-time water quality monitoring.

### **AMENDMENTS**