

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

SPONSOR Herrell/Townsend/ ORIGINAL DATE 2/5/18  
Brown LAST UPDATED \_\_\_\_\_ HM 74

SHORT TITLE Regional Water Planning & Ogallala Aquifer SB \_\_\_\_\_

ANALYST Dulany

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

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See Fiscal Implications				

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

Relates to: SB 5 & SB 55

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

New Mexico State University (NMSU)

### SUMMARY

#### Synopsis of Bill

House Memorial 74 requests the Water Resources Research Institute (WRRI) at NMSU to convene a task force to study and make recommendations to improve the regional water plan planning process and to investigate the water level of the Ogallala Aquifer. The requested task force is to comprise, at a minimum, representatives of Indian nations, tribes, or pueblos; the agricultural industry; the extractive minerals industry; the oil and gas industry; economic development interests and urban businesses; environmental protection interests; current and future water users; and county and municipal governments.

### FISCAL IMPLICATIONS

Legislative memorials do not carry appropriations. WRRI and the members of the task force are likely to incur some costs in terms of staff time, travel, and supplies. WRRI receives about \$615.6 thousand in recurring annual general fund appropriations. In FY16 and FY17, WRRI received about \$500 thousand each year from the consumer settlement fund administered by the Office of the Attorney General.

As noted by the department, HED's, the executive's, and LFC's funding recommendations for WRI for FY19 all included flat funding. HAFCS/HB 2 & 3 as passed by the House of Representatives includes flat recurring funding for WRI and a \$300 thousand special appropriation contingent on matching funds from other sources.

### **SIGNIFICANT ISSUES**

NMSU reported in an analysis for a related bill that WRI is developing and implementing a New Mexico Dynamic Statewide Water Budget. A prototype of the water budget tool compiles water data from many different sources, using calculations developed by WRI and collaborators. The prototype employs a new simulation model to show the storage and flows of water in New Mexico at spatial scales, including the entire state, large basins, the water planning regions, and counties. NMSU suggests development of the water budget tool is ongoing.

According to NMSU, The mission of the WRI is to support the water research needs of New Mexico. The WRI is committed to helping New Mexico water planning needs through scientific research, training, outreach, communication, and coordination of research. This memorial lists many items that are beyond the scope of the WRI.

### **OTHER SUBSTANTIVE ISSUES**

According to information provided by HED:

- Known as one of the world's largest aquifers, and considered one of the most important sources of fresh drinking water in the United States, the Ogallala Aquifer is a shallow water table aquifer with portions of the table in eight states. The eight states include: Nebraska, Texas, New Mexico, Oklahoma, Kansas, Colorado, Wyoming and South Dakota.
- The State Land Office (SLO) is responsible for establishing guidelines involving the granting of new, amended, or renewal of water easement and water exploration permits on State Trust Lands. The statute reference for the Protection of Domestic Quality Aquifers under State Trust Lands is NM Const. Art.XIII; §§19-1-1 et seq NMSA 1978; 19.2.12 NMAC.
- The State Land Office (SLO) has issued notifications advising of the Protection of Domestic Quality Aquifers under State Trust Lands 2017 revised and adopted policy. Citing concerns of preserving domestic quality water for non-domestic purposes, the agency will no longer approve new, or renewal, applications requesting access to drill water wells on State Trust Lands that involve the use of fresh water from the Ogallala for oil and gas related activities without first reviewing hydrologic reports. The Oil, Gas, and Minerals Division of the SLO has revised the application for water easement and exploration permits, water agreements and water easement documents to reflect the directives of the policy, which are in the best interests of the trust.
- The SLO has issued more than 100 well site easements, many dating back to the 1980s, authorizing the easement holder to drill water wells on State Trust Lands in locations where water is being drawn from the Ogallala aquifer. The policy now requires additional documentation and hydrologic information with each application. The commissioner will determine whether granting land access for a water well is in the best interests of the SLO and whether an easement should require the grantee to draw water from deeper, non-potable sources.

TD/al