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## FISCAL IMPACT REPORT

SPONSOR: HAGC DATE TYPED: 03/15/03 HB CS/260/aHAFC/aSCONC

SHORT TITLE: State Water Plan SB \_\_\_\_\_

ANALYST: Chabot

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			\$.01 (see Narrative)	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act: The 2002 General Appropriation Act appropriates \$500.0 as a special appropriation for development of regional and a framework water plan.

Duplicates the Senate Conservation Committee Substitute for SB 195

### **SOURCES OF INFORMATION**

LFC Files

#### Responses Received From

Department of Game and Fish (DGF)  
 Energy, Minerals and Natural Resources Department (EMNRD)  
 Interstate Stream Commission (ISC)  
 Office of the State Engineer (OSE)

### **SUMMARY**

#### Synopsis of SCONC Amendment

The Senate Conservation Committee Amendment to House Bill 260, as amended makes the bill a duplicate of Senate Conservation Committee Substitute for Senate Bill 195 as amended. The amendment changes subsection A of the bill to state legislative intent that ISC, in collaboration with OSE and Water Trust Board (WTB), prepare and implement a comprehensive state water plan. It adds the requirement that members of ISC and WTB shall be notified of and welcome to participate in all aspects of the plan process.

The amendment adds new material to the Water Project Finance Act (Section 72-4A-1 through

72-4A-10 NMSA 1978) to require WTB prioritize projects in accordance with the State Water Plan and identify opportunities to leverage federal and other funding.

Synopsis of HAFC Amendment

The House Appropriation and Finance Committee Amendment to the House Agriculture and Water Resources Committee Substitute for House Bill 260 strikes the appropriation to all entities for developing a state water plan. It adds the requirement to develop water conservation strategies and policies “to maximize beneficial use, including reuse and recycling by conjunctive management of water resources and by doing so to promote nonforfeiture of water rights.”

Synopsis of Original Bill

The House Agriculture and Water Resources Committee Substitute for House Bill 260 appropriates \$625.0 from the general fund as follows:

1. \$150.0 to ISC for developing a state water plan and completion of regional water plans;
2. \$250.0 to OSE for a project management system to establish staff, fiscal and other requirements to complete adjudications, hydrologic studies, mapping and implementation of active water management;
3. \$250.0 to ISC for facilitation, public education, materials production and other contractual services to ensure the state water plan has adequate statewide input; and
4. \$25.0 to OSE to facilitate negotiations with the Navajo Nation on the San Juan River.

The bill enacts new statute in Chapter 72, Article 14 NMSA STATE WATER PLAN—PURPOSE—CONTENTS stating eight purposes of having a state water plan (pages 1-2 of the bill). The ISC, in consultation with OSE, is the agency designated to develop a comprehensive, coordinated state water plan that meets 14 objectives specified in pages 2-3 of the bill.

The state water plan is to include work plans and strategies for the completion of water rights adjudications and support efforts, and creation of a comprehensive database and electronically accessible information system measuring surface and ground water uses and inventorying water wells and determining disposition of unused wells.

In developing the statewide water plan, OSE and ISC shall consult directly with the governments of Indian nations, tribes and pueblos to integrate water plans and formulate a process for final adjudication of water rights.

ISC is to ensure public participation and input throughout the planning process to provide for participation of stakeholder groups and regional planners. Following adoption of the final plan by ISC, it will be presented to the interim Legislative Committee that studies water and natural resources. The plan shall be periodically reviewed and updated; a minimum review period of five years is specified. Nothing in the plan is to be construed to permit the granting or the condemnation of water rights or the determination of water rights of Indian nations, tribes or pueblos.

Significant Issues

When water planning was first authorized by the Legislature in 1987, there was considerable resistance to the idea of a statewide plan because it would give the State Engineer too much influence over regional water uses. As a result, the planning emphasis has been on regional plans that should consider abutting regions but are actually autonomous plans. In the past two interim sessions, the interim Legislative Water and Natural Resource Committee has heard extensive testimony as to the need for an integrated statewide plan.

OSE states "lack of a statewide water policy is a hindrance to strategic management of water resources. A State Water Plan, developed through an open process, addressing applicable issues comprehensively and through development of work plans will greatly improve the ability of all New Mexicans to have both clarity and certainty with regards to availability of water resources."

The agency also states the committee substitute reflects a commitment to work with the Executive to provide the resources needed to develop a state water plan in a one-year period. Currently four of the 16 regional plans have been completed and accepted by ISC. Three plans are being added to the agenda for review and approval. Three more regional plans are expected by the end of 2003.

EMNRD states the bill is silent on the role the Water Trust Board in developing a statewide water plan. The agency also requests clarification of Section 1.I as to whether it pertains to Indian claims or recognized water rights.

**FISCAL IMPLICATIONS**

The appropriation of \$625.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

**TECHNICAL ISSUES**

OSE has been developing the Water Administration Technical Engineering Resource System to manage a comprehensive database and an electronically accessible information system since 1997. Page 4, line 25 could be interpreted as requiring a new system. Recommend striking "creation and" on that line.

**POSSIBLE QUESTIONS**

1. Is anyone opposed to the development of a statewide water plan?

**GAC/njw:sb:yr**