



Synopsis of Original Bill

Senate Bill 843 provides legislative approval for the Water Trust Board (WTB) to make loans or grants for qualifying water projects on terms and conditions established by the WTB and the New Mexico Finance Authority (NMFA); lists 14 projects as qualifying for grants or loans; and appropriates \$50,000.0 with a non-reversion provision.

The bill contains an emergency clause.

Significant Issues

The OSE reports that all fourteen projects listed in the bill have been approved as qualifying projects by the WTB pursuant to Section 72-4A-3 NMSA 1978. Expenditures for the projects listed total \$9,988,055 and would use up almost all of the \$10,00.0 currently available in the Water Projects Fund.

All 14 projects in the bill have been reviewed OSE, and 12 have been approved. The Water Resource Allocation Program (WRAP) was not able to give a formal opinion regarding water rights that would be affected in Section 1 (N) Taos War Chief Watershed Restoration and Management Project), and an analysis of the Santa Fe Regional San Juan-Chama Diversion Project showed a new diversion point would be needed. Both of these project applications are pending.

**FISCAL IMPLICATIONS**

The appropriation of \$50,000.0 contained in this bill is a non-recurring expense to the general fund and may be expended in fiscal year 2003 and subsequent fiscal years. Any unexpended or unencumbered balance remaining shall not revert. The appropriation is for capital projects and, therefore, is presumed to be non-recurring,

**TECHNICAL ISSUES**

The Environment Department finds that on page 2, line 17, paragraph J, identifies a project for the Upper Hondo Soil and Water Conservation district for an eradication project along the upper Hondo and Rio Bonito but does not specify what is to be eradicated.

**AMENDMENTS**

The OSE suggest the bill could be improved by the following amendment:

In Paragraph B, page 1, line 24, insert after “San Juan-Chama” the words “and Rio Grande.”

LRB/njw/lis