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## FISCAL IMPACT REPORT

SPONSOR King DATE TYPED 2/15/05 HB 765

SHORT TITLE Estancia Regional Water Plan Implementation SB \_\_\_\_\_

ANALYST Hadwiger

### APPROPRIATION (in \$000s)

| Appropriation Contained |        | Estimated Additional Impact |      | Recurring<br>or Non-Rec | Fund<br>Affected |
|-------------------------|--------|-----------------------------|------|-------------------------|------------------|
| FY05                    | FY06   | FY05                        | FY06 |                         |                  |
|                         | \$50.0 |                             |      | Recurring               | General Fund     |
|                         |        |                             |      |                         |                  |

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB699.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)  
Office of the State Engineer (OSE)

### SUMMARY

#### Synopsis of Bill

House Bill 765 appropriates \$50,000 from the general fund to the Department of Finance and Administration to begin implementation by Torrance County of the Estancia Basin regional water plan.

#### Significant Issues

The Office of the State Engineer (OSE) indicated that implementation of accepted regional water plans is a goal of the New Mexico State Water Plan. Each of the 15 water regions in New Mexico, according to the Regional Water Planning Handbook, is “charged with identifying water supply, projecting demand, and where water supply is determined to be inadequate to meet projected demand, which is almost always the case in New Mexico, regions must develop strategic alternatives to meet their water shortage challenges. Water plans must include recommended alternatives for regional water resources management, water conservation, protection of the re-

gional public welfare, and time lines for implementing the water plan."

The Estancia Basin Regional Water Plan was the first of 15 regional water plans to be completed in New Mexico. The Estancia Basin is classified as a mined basin by OSE. In particular, the Estancia Basin Regional Water Plan identifies declining water supplies, deteriorating water quality and increasing demand as issues that create an uncertain future. Specific programs for managing and conserving the water supply are recommended by the regional water plan, including designation of a special ground water management area, water conservation education, management of water rights, and a comprehensive monitoring, metering, and investigation program. These programs are detailed in the regional water plan.

The OSE observed that recommended alternatives in regional water plans will need continuous funding to be realized.

### **FISCAL IMPLICATIONS**

The appropriation of \$50,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

### **ADMINISTRATIVE IMPLICATIONS**

DFA and OSE recommended that the appropriation in HB765 be directed to the Interstate Stream Commission. The Commission has the necessary staff and expertise to help implement the regional water plans it has administered for the past five years.

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

HB765 duplicates SB699.

### **ALTERNATIVES**

OSE suggested two alternatives to HB765:

1. It might be preferable to substitute the Interstate Stream Commission as recipient. The ISC has requested and will continue to seek the necessary funds to implement regional water plans on a statewide basis.
2. The Water and Natural Resources Committee is seeking an appropriation for the Water Trust Fund that can fund regional water plan implementation projects.

DH/yr