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FISCAL IMPACT REPORT

SPONSOR Cervantes **DATE TYPED** 03/04/05 **HB** HJM 86

SHORT TITLE Develop Water System Planning Criteria **SB** _____

ANALYST Ford

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|---------|----------------------|---------------|
| FY05 | FY06 | FY05 | FY06 | | |
| | | | Minimal | | |

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 9, SB 365

SOURCES OF INFORMATION

LFC Files

Responses Received From

Environment Department (NMED)
Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

House Joint Memorial 86 requests the OSE to collaborate with NMED and other agencies to develop criteria for water system planning, performance, and conservation as a condition of state financing. The resolution calls on the state engineer to report to the appropriate interim legislative committee by December 1, 2005.

Significant Issues

OSE and NMED both note that funding for water system projects should be based on criteria that require water systems to meet requirements of the Safe Drinking Water Act, be hydrologically and fiscally sound, obtain and exercise water rights and implement the best engineering and managerial solution to the water needs for the system and region. Currently, there is no planning or strategic focus at the state level that encourages or supports these practices.

OSE and NMED both raise the concern that the December, 2005 deadline may not provide adequate time to finalize the recommendations requested by the resolution. Both agencies note that the Department of Finance and Administration and the New Mexico Finance Authority should be involved in developing the recommendations. Both agencies also note that significant coordination with existing state efforts will be necessary to avoid duplication of effort.

FISCAL IMPLICATIONS

The resolution will require the OSE, NMED and other participating agencies to dedicate staff resources. Given the short timeframe, the total impact is likely to be minimal.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 9 and Senate Bill 365 both relate to providing better coordination for the funding of capital projects.

EF/lg