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FISCAL IMPACT REPORT

ORIGINAL DATE
LAST UPDATED 1-21-06 **HB** 76

SPONSOR Moore

SHORT TITLE Develop Ute Lake Master Plan **SB** _____

ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$350.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)
 Office of the State Engineer- Interstate Stream Commission (OSE)

SUMMARY

Synopsis of Bill

House Bill 76 makes an Appropriation to the Interstate Stream Commission to Develop a Ute Lake Master Plan and seeks to appropriate \$350,000 from the general fund to the Interstate Stream Commission for expenditure in fiscal year 2007 to develop a Ute Lake master plan. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

The Energy, Minerals and Natural Resources Department (EMNRD) and the Office of the State Engineer – Interstate Stream Commission (OSE) support this legislation.

EMNRD indicates that Ute Lake State Park is one of the most popular state parks in New Mexico and development of the master plan will aid in the identification and management of land use and human activities around Ute Lake. Effective planning and land management is crucial to protect the outstanding water quality of Ute Lake, the park’s natural and cultural resources and overall quality of the setting. Preparation of a master plan is of particular, timely importance as Ute Lake State Park has experienced increased visitation over recent years, large-scale residen-

tial development is occurring around Ute Lake, area communities are intensifying their economic development efforts, and members of the Eastern New Mexico Rural Water System Pipeline Project are continuing their efforts to deliver water from Ute Lake for consumptive use. Proactive land use planning in the Ute Lake area is essential to guide future development in ways that both benefit the economy and sustain the irreplaceable natural, cultural, and recreational resources of Ute Lake State Park.

OSE adds that Eastern New Mexico communities currently depend on rapidly diminishing water supplies from the High Plains aquifers. Ute Reservoir was constructed by the state (\$125 million in today's dollars) to provide a renewable source of drinking water supplies for Eastern New Mexico communities. Ute Reservoir is the largest state-owned and operated reservoir in New Mexico. In June 2005, an economic development study proposed an extensive initiative including over 12,000 homes, three golf courses, marinas and over 600 boat docks and slips at Ute Reservoir. This proposed development and increased recreational use would impact the water quality of Ute Reservoir, its use as a drinking water supply for Eastern New Mexico, and state and local governments' ability to resolve conflicts over management issues at Ute Reservoir.

The Village of Logan, The City of Tucumcari, Quay County, and the ISC have entered into a JPA to create a Master Plan for Ute Reservoir. This bill provides funding for that effort. The Master Plan will provide for a detailed inventory of resources, scientific assessment of resources, demands, and optimized management plans in a consensual public venue. The purpose of the Master Plan is assure that the quality of life is maintained in and around Ute Reservoir by protection of the water of Ute Reservoir as a source of drinking water, by providing recreational opportunities at the reservoir consistent with its other uses, and by the promotion of continued economic development in the region.

ADMINISTRATIVE IMPLICATIONS

EMNRD indicates that the legislation will support the responsible planning of development and activities in the Ute Lake area and should support the future viability of Ute Lake State Park as a recreation destination, thereby allowing SPD to achieve its agency missions and goals of protecting and enhancing park resources, providing quality recreational facilities, and promoting public safety and education. A successful planning effort that supports park goals and objectives would support SPD legislative performance measures for number of visitors to state parks and self-generated revenue.

OSE further adds that without the funding of the proposed Master Plan, continued development and increased recreational use will overwhelm state agencies and local governments ability to adequately manage and protect the resource for local, regional, and general public benefit. The use of Ute Reservoir as a water source for Eastern New Mexico communities will be imperiled or negated.

OTHER SUBSTANTIVE ISSUES

OSE indicates that in addition to OSE and EMNRD, the Master Plan initiative is also supported by the New Mexico Department of Game and Fish, the New Mexico Department of Environment, the Village of Logan, the City of Tucumcari, and the County of Quay.