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FISCAL IMPACT REPORT

ORIGINAL DATE 2/13/07

SPONSOR T. Garcia LAST UPDATED _____ HB 1089

SHORT TITLE LAS VEGAS WATER CONSERVATION PROGRAM SB _____

ANALYST Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$2,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

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 1089 appropriates \$2,000.0 from the General Fund to pay for a water conservation program in Las Vegas and San Miguel County.

FISCAL IMPLICATIONS

The appropriation of \$2,000.0 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the General Fund.

SIGNIFICANT ISSUES

DFA reports that the City of Las Vegas serves 18,000 residents and is in need of utilizing innovative methods in order to sustain its limited water supply. The City draws the majority of its water from the Gallinas River and stores the water in two reservoirs, the Bradner and Peterson, which provides approximately 90 days of storage when the reservoirs are at 100% capacity. In the past, the City has experienced extreme drought conditions that left the City with

approximately 15 days of storage capacity. The City hired a hydrologist who calculates that the City is losing 150 acre feet of water per year to evaporation.

The City is requesting that HB 1089 fund the purchase and installation of covers for both reservoirs to enable the City to conserve the evaporated loss. This conservation would enable the City to increase the number of days of storage during drought conditions. The City estimates that it will cost \$2,000.0 to cover the two reservoirs covering 65 acres.

The solution was determined through meetings between the hydrologist, the City Water Utility Director and the City Water Treatment Plant Supervisor. There has been no Preliminary Engineering Report conducted to this analyst's knowledge. A PER would outline several options to eliminate unnecessary water evaporation along with different cost analyses. There may not be a better way to eliminate the water evaporation; however, DFA notes there may be a more economical way to do it.

TECHNICAL ISSUES

DFA notes that the appropriation language could be changed to more specifically reflect for what the \$2,000.0 will be paying. Also, DFA suggest that the program is better managed by the NM Environment Department. DFA suggests perhaps funding a smaller amount to determine if there are alternatives to this proposal.

WEP/nt