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FISCAL IMPACT REPORT

ORIGINAL DATE 1-26-07

SPONSOR Ezzell LAST UPDATED _____ HB HJM11

SHORT TITLE State Engineer File Removal from Pecos Office SB _____

ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

House Joint Memorial 11 requests the State Engineer to adopt a plan to leave all water right files in the Roswell District Office and copy them there instead of transporting them to the central WATERS Office in Albuquerque for scanning and processing into the WATERS Database. Specifically, the memorial notes:

- the Pecos valley water users organization is a quasi-public organization composed of representatives of public agencies, including county and municipal governments, irrigation and conservancy districts and others located in the lower Pecos valley of New Mexico; and
- the primary focus of the Pecos valley water users organization is water use, availability and planning in the area included within the lower Pecos valley in New Mexico; and

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- the water rights files of the state engineer in the Roswell district 2 office contain pertinent documents relating to historical and current data regarding water use and supply in the area; and
- the documents date back to the middle of the nineteenth century and consist of water well logs, hydrological studies and reports, reports of water use, transactional histories of water rights ownerships and transfers and similar data; and
- information in the files of the district 2 office of the state engineer is critical to the continuing administration and understanding of the water situation in the area and is essential to the needs of individual water users on a daily and continuing basis; and
- the state engineer has announced his intention to transfer the records and data from the Roswell district 2 office to Albuquerque for copying, restructuring and reassembling, and to then transfer the original data to Santa Fe for archival storage and to the WATERS database for access through the internet; and
- the state engineer has not specified the length of time that the records would be missing from the Roswell district 2 office and thus unavailable for use by water users, researchers and abstracters, thereby making access to such information unreasonably difficult; and
- the Pecos valley water users organization believes that the state engineer's proposed actions will undoubtedly result in loss of data, in realignment of data and in general confusion; and
- it would appear that the better solution would be to copy or scan all of the files completely and intact, without realignment or restructuring, in the Roswell district 2 office, and then to forward the scanned data or copies to Albuquerque for further processing.

The memorial resolves that the state engineer be requested to reconsider the plan for removal of the water rights files from the Roswell district 2 office and, instead, adopt a plan to acquire the data necessary for the WATERS database within that office, without restructuring or realignment into various categories, and to then forward the data to Albuquerque for further processing.

FISCAL IMPLICATIONS:

OSE indicates that to move the process to Roswell would result in increased costs for materials, equipment, and labor, to create new files estimated to be \$436 thousand.

SIGNIFICANT ISSUES:

OSD states advises that the current process requires moving the files to Albuquerque, comparing them to a second set to ensure a complete set is captured, sorting the documents in the files into a standard format, analyzing the information to determine the elements of the water right and abstracting into the WATERS database. The OSE has created a center of expertise for this process in Albuquerque. To date they have completed this work for 15 water basins throughout the State. A significant emphasis on quality control has been established and maintained at the Albuquerque Office.

OSE notes that the WATERS abstracting process involves bringing three sets of paper records to the WATERS office in Albuquerque: (1) the district office records, (2) the Santa Fe Office records and (3) the adjudication and court records. The three sets are compared and one complete set of all records pertaining to each water right is compiled. This is the set used to analyze the right and to prepare the images. This step is critical to ensure all information is compiled. Further, that the files are reorganized into a format being enacted statewide allowing for better accounting of the water rights, and the files cannot be entered into the WATERS database in their current structure.

OSE concludes that leaving a set as is in the Roswell District Office will lead to a disconnect between those files and the structure of the files in the WATERS database. Further, that the best available records can best be maintained in a climate controlled, access controlled environment, which is essential to the preservation of documents that are as old as a century in some instances. The fact is, paper disintegrate, we want to prevent the permanent loss of these important documents.

PERFORMANCE IMPLICATIONS:

OSE suggests that doing what is contemplated or asked with this memorial will slow the process of abstracting the files into the WATERS database by 12 months and prevent performance measure compliance. Further, it would require an additional 4.5 term FTEs in the Roswell District Office for two years to copy files and it will require the State Engineer to retool the process that is finally producing a quality product.

OTHER SUBSTANTIVE ISSUES:

OSE advises that on August 15, 2005 a report by David Goodrich, LFC Auditor, regarding the WATERS database and specifically the Abstracting and Imaging component of the project was released. The report had some key recommendations, which are listed below:

- Continue using experienced contractors/employees to perform abstracting. Continue entering full abstracts and new water rights applications as they are submitted, so that they do not contribute to the historical files. Provide regular progress reports to the legislature.
- Strengthen restrictions over public access to water rights records at the district level. Finish abstracting and imaging all basins so that originals will be kept under strict control.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL:

OSE indicates it will continue to process water right information into the WATERS database in the Albuquerque office in the most efficient manner and quality controlled environment necessary for successful population of the WATERS database. This process is currently being performed for all basins or areas of the state and is what has historically taken place in already completed basins.