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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/15/2007

SPONSOR Harden LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Canadian River Watershed Restoration SB 950

ANALYST Moser

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$300.0	Recurring	General fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to: SB 115 and HB 617

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

NM Department of Higher Education (HED)

Office of the State Engineer (OSE)

Energy, Minerals and Natural Resources Department (EMNRD)

New Mexico State University (NMSU)

### SUMMARY

#### Synopsis of Bill

Senate Bill 950 appropriates \$300,000 to the Board of Regents of New Mexico State University to conduct a watershed restoration project and to treat invasive woody species in the Canadian River watershed in fiscal years 2008 and 2009. At least eighty percent of the funds shall be spent on treatment and ten percent on monitoring. No more than ten percent is allowed for administering the project.

### FISCAL IMPLICATIONS

The appropriation of \$300,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY09 shall revert to the general fund.

## SIGNIFICANT ISSUES

A non-native phreatophyte plan (plan) was finalized in September 2005. New Mexico Department of Agriculture (NMDA) is the lead agency and steward of the plan. All non-native phreatophyte projects using state funds are to comport with the plan. Past Canadian river restoration projects have complied/comported with the plan. The NMDA assumes the funding in SB 950 would also comport with the plan.

NMSU reports that the Canadian River Riparian Restoration Project (C3RP) started in 2004 to eradicate salt cedar along the Canadian River. Since Colfax County is at the headwaters of the river, eradication efforts have concentrated on that portion of the river. Over 4,715 acres of salt cedar in Colfax and Harding County have been sprayed. Monitoring efforts began in 2005 and continue. The NMSU Range Improvement Task Force continues to conduct range and wildlife monitoring while water quality and quantity is being conducted by the USGS. Restoration efforts have also begun utilizing goats. Cooperating agencies include New Mexico Association of Conservation Districts, area Soil and Water Conservation Districts, U.S. Fish and Wildlife Service, New Mexico Department of Agriculture, and the NMSU Cooperative Extension Service.

In many regions of New Mexico, invasive woody species are typically phreatophytes such as salt-cedar. The latest analyses by the United States Academy of Sciences and the American Council of Civil Engineers indicate that estimates of water salvaged by phreatophyte removal programs are much less than predicted and may even be non-existent unless accompanied by a careful planned program of reintroduction of low water use native plants and long-term maintenance. Studies show that in most instances, great care must be taken or net water consumption can actually increase, not decrease.

The State Engineer points out that in some areas, phreatophytes such as salt cedar, serve to stabilize river channel banks and control erosion. Consequently, in large-scale eradication efforts care must be taken to minimize the potential for unintended but foreseeable erosion or flood control issues to arise.

The OSE suggests that the bill should require mitigation to control unintended consequences such as bank destabilization, deposition of debris at river crossings and possible damage to the structures, or increases in sediment and/or debris influx to reservoirs. Additionally, the OSE states that to increase the value of these funds, it is imperative to include in the management plan the careful planning of the areas treated for invasive removal with restoration of native species to increase the health of the watershed in general.

The Non-native Phreatophyte/Watershed Management Plan (NNPP) was developed to guide future treatment and to provide templates and protocols for monitoring, revegetation, rehabilitation and long-term watershed management. This plan is not specified in the bill, but should be complied with when conducting projects.

The DHE indicates that this request was not submitted by NMSU to the New Mexico Higher Education Department for review. This request was not included in the Department's funding recommendation for FY08.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB 950 relates to SB 115 and HB 617.

**OTHER SUBSTANTIVE ISSUES**

The NMDA indicates that funding for the removal of invasive woody species and watershed restoration program would properly and better go to New Mexico Department of Agriculture, which has the staffing and technical expertise to administer such a program.

In addition, the NMDA is collaborating on and tasked with the implementation the state's FOREST AND WATERSHED HEALTH PLAN and the NEW MEXICO STATEWIDE POLICY AND STRATEGIC PLAN FOR NON-NATIVE PHREATOPHYTE/WATERSHED MANAGEMENT. That strategic plan was called for by the Legislature in HB2 (2005) and developed by an interagency work group to coordinate and supervise all phreatophyte removal projects in the state. Both state plans call for NMDA to be the lead on watershed projects and that all funding for these projects should go to NMDA.

NMDA points out that funding should be expended pursuant to the FOREST AND WATERSHED HEALTH PLAN and the NEW MEXICO STATEWIDE POLICY AND STRATEGIC PLAN FOR NON-NATIVE PHREATOPHYTE/WATERSHED MANAGEMENT and must meet all the requirements, guidelines, templates and protocols established by those plans.

GM/csd