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FISCAL IMPACT REPORT

ORIGINAL DATE 01/23/13
LAST UPDATED 02/04/13 **HJM** 7/aHAGC

SPONSOR Stewart

SHORT TITLE Water Development Act Reauthorization **SB** _____

ANALYST Cerny

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Minimal				Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Environment Department (NMED)

Department of Game and Fish (DGF)

Office of the State Engineer/Interstate Stream Commission (OSE)

SUMMARY

Synopsis of HAGC Amendment

The House Agriculture and Water Resources Committee Amendment to House Joint Memorial 7 changes high concentrations of dissolved salts in the Pecos River to “naturally” high concentrations, deletes the paragraph on catastrophic fires and inserts “the possible effects of high severity wildfire” in a more general paragraph.

Synopsis of the Original Bill

House Joint Memorial 7 (HJM 7) requests the United States Congress to reauthorize Section 5056 of the federal Water Resource Development Act of 2007 (WRDA), to appropriate sufficient funds to carry out work related to that legislation, and to transmit copies of HJM 7 to the President, Congress and other federal entities. The WRDA authorized up to \$15,000,000 annually to the U.S. Army Corps of Engineers to rehabilitate and enhance fish and wildlife habitat in the Rio Grande main stem and tributaries but expired in 2011. WRDA Section 5056, if reauthorized and funded, would allow the U.S. Army Corps of Engineers (USACE) to implement water quality improvement projects crucial to New Mexico’s interests in the lower Rio Grande and Pecos River Basins.

FISCAL IMPLICATIONS

Minimal costs associated with notifying recipients.

SIGNIFICANT ISSUES

OSE notes that two essential projects under WRDA are studying the salinity and environmental management issues – including economic impacts – in the lower Rio Grande and Pecos River Basins. On the Rio Grande, the New Mexico Interstate Stream Commission (NMISC) and Texas Commission on Environmental Quality have collaborated for more than five years to sponsor and provide the required cost share for a study that will include recommendations for additional federally-funded work that could be performed with a state cost share under WRDA Section 5056. In the Pecos River Basin a similar effort under WRDA was initiated in 2011.

The reauthorization and funding is crucial to implementing a successful technical program to identify salinity sources and potential remedies. The congressional action called for in HJM 7 would better position New Mexico to mitigate adverse economic and environmental effects of elevated salinity in the both basins. Such mitigation would make more water usable for beneficial use and economic development.

DGF and NMED both indicate that the WRDA funding of up to \$15 million annually to the USACE and the United States Fish and Wildlife Service for fish and wildlife rehabilitation in the Rio Grande basin would create opportunities for conservation of threatened and endangered species in the basin, particularly within the middle Rio Grande by improving fish and wildlife habitat.

PERFORMANCE IMPLICATIONS

The types of watershed restoration activities recommended by the reauthorization of WRDA are an NMED performance measure.

OTHER SUBSTANTIVE ISSUES

OSE notes that some of the HJM 7's recitals (or, WHEREAS clauses) are not factually correct. For example, the citation with regard to watershed degradation is not well supported by physical data. (See the amendment section for suggested deletions and insertions.)

Further, it is important to cite the ongoing cooperation with Texas authorities in light of the recent water lawsuit brought forward by the State of Texas.

Additionally, the WRDA Section 5056 program could be used by the Corps, State, and others in the middle Rio Grande to proactively address and resolve potential endangered species and water user conflicts through focused habitat restoration activities.

AMENDMENTS

OSE suggests the following amendments to the memorial:

- 1) “WHEREAS, the water quality of the Rio Grande and the Pecos river and other tributaries is impaired, in part, by **Add the following word** naturally high concentrations of dissolved salts and elevated levels of bacteria that can limit available water supply for municipal and agricultural use”; and

Add “WHEREAS, much of the natural salinity in the Pecos river and Rio Grande enters the river in localized areas which presents an opportunity for engineered solutions to intercept such waters before they enter the rivers”; and

- 2) **Delete** “WHEREAS, the recent catastrophic fires in the upper Rio Grande basin watersheds have further degraded water quality in the basin's streams and rivers and the ecological health of the river ecosystem”; and
- 3) **Add** “WHEREAS, the U.S. Congress began the process to address some of the above issues by enacting Section 729 of the Water Resources Development Act of 1986, and WHEREAS, a successful technical program to identify salinity sources and potential remedies on the Rio Grande in the New Mexico-Texas border region has been underway since 2008, under Section 729 of the Water Resources Development Act of 1986”; and
- 4) **Insert immediately before the “Now, Therefore clause”** “WHEREAS, it is imperative that funding and continuing authority for Section 5056 of the Water Resources Development Act of 2007 be reenacted so that efforts to address salinity and environmental management issues in the Rio Grande, the Pecos and other Rio Grande tributaries can continue”.

CC/bm