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FISCAL IMPACT REPORT

SPONSOR Smith ORIGINAL DATE 02/11/13
LAST UPDATED _____ HB _____
SHORT TITLE Regional Water Planning SB 481
ANALYST McCoy

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
NFI	\$400.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates, Relates to, Conflicts with, Companion to SB 454, HJM 9, SB 135, SB 449, HB 470
Duplicates Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

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

New Mexico Department of Agriculture (NMDA)

New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

Senate Bill 481 (SB 481) appropriates \$400.0 thousand from the general fund to the Interstate Stream Commission to update regional water plans statewide.

FISCAL IMPLICATIONS

The appropriation of \$400.0 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

SIGNIFICANT ISSUES

The OSE notes, with intent to ensure New Mexicans an adequate supply of water the 1987 legislature authorized the Interstate Stream Commission (ISC) to grant funding and technical

support to the state's 16 water planning regions. The regional planning program was created to enable regions to locally assess water demands and supplies and identify solutions to meet future water needs. The state invested almost \$4 million to develop the 16 regional water plans over the past twenty years. The OSE/ISC notes, all 16 regions have ISC-accepted regional water plans; however, some were completed in the late 1990s and many others are not geared toward addressing current water challenges and shifting priorities. The OSE/ISC reports, despite persistent drought, legislative funding dropped to \$55,000 in 2009, and to zero in the previous three years.

The OSE/ISC notes, effective water plans that can be implemented must be kept current to reflect changing conditions. According to the ISC, the agency requires resources to manage and coordinate regional water plan updates to ensure consistency among the regions and with statewide water policies, in addition to identifying regional and statewide water infrastructure priorities. The OSE/ISC notes, the regional water planning process involves local stakeholders and those entities who are responsible for implementation: thus, the regional planning process is an established venue for bringing together the myriad different water users with often competing interests toward solutions that may benefit all.

The NMDA reports, updating regional water plans periodically allows the public and governmental entities an opportunity to review water plans for accuracy; changing conditions, including climate conditions (i.e., drought); population; water use needs; infrastructure needs; and other relevant data to provide information that may allow for responsive management of local and regional water resources.

The NMSU notes, the benefits of regional water planning to the state encompass every sector of the economy including agriculture, energy, business, municipal, industrial, and educational sectors. Every person in New Mexico relies on a safe, reliable source of water. The NMSU also adds, regional water planning by the 16 regions is a necessary part of providing accurate information for sound policy making. According to the NMSU, many regions have not updated their regional water plan in many years and the lower Rio Grande water plan specifically was last prepared in 2004 and the information on which it was based is now outdated due to legal, regulatory, and climatic events. Regional plans are a vital part of updating the state plan.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 481 duplicates an appropriation in the House Appropriation and Finance Committee substitute for HB 2. On page 208, line 32, the bill would appropriate \$400.0 thousand from the general fund to the OSE/ISC to update regional and state water plans. It also contains the following language: The Interstate Stream Commission shall report to the interim Water and Natural Resources Committee on the progress and content of the water plans.

SB 481 relates to SB 454, which appropriates \$400,000 to the ISC to update three regional water plans and maintain the statewide water plan. SB 481 is related to HJM 9, which requests priority funding to update the regional water plan in Mora-San Miguel-Guadalupe counties. SB 481 is related to SB 135 which appropriates \$400,000 to the ISC to update the lower Rio Grande regional water plan in fiscal years 2014 and 2015. SB 481 is related to SB 449 and HB470 which both appropriate \$50.0 thousand to contract with a lower Rio Grande water rights organization to develop a water management plan to help lower Rio Grande farmers to manage their irrigation waters more effectively and efficiently.

OTHER SUBSTANTIVE ISSUES

The NMDA notes, the current drought conditions have placed additional strain on local and regional water supplies. Understanding regional water planning efforts and concerns with respect to available water supply and demand is crucial to water management regimes across the state.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

According to the ISC, without funding, the agency cannot maintain a regional or statewide planning program and cannot provide water planning support and technical assistance to regions requesting and needing to update their plans. The ISC notes, as water problems increase in magnitude statewide, existing regional water plans will be outdated and ineffective in addressing mounting water crises.

AMENDMENTS

According to the OSE, the amendment below would allow the OSE/ISC to fulfill the statutory requirements for a comprehensive state water plan while also maintaining its regional water planning program. The OSE notes, the statute requires an update to the state water plan, or at a minimum, a review, every five years. Another statutory requirement is for the state water plan to integrate, where appropriate, the regional water plans. The OSE proposes the following amendment:

On line 18, after the word “plans” strike “statewide” and in lieu thereof insert “and maintain the state water plan”.

MTM/blm