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## FISCAL IMPACT REPORT

**SPONSOR** Campos **ORIGINAL DATE** 1/27/14  
**LAST UPDATED** 1/27/14 **HB** \_\_\_\_\_

**SHORT TITLE** Update State & Regional Water Plans **SB** 43

**ANALYST** McCoy/Thompson

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
NFI	\$700.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

### Responses Received From

Office of the State Engineer/Interstate Stream Commission

### SUMMARY

#### Synopsis of Bill

Senate Bill 43 appropriates \$700,000 from the general fund to the Office of the State Engineer/Interstate Stream Commission (OSE/ISC) to update state and regional water plans in fiscal year 2015.

### FISCAL IMPLICATIONS

The appropriation of \$700,000 contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2015 shall revert to the general fund.

### SIGNIFICANT ISSUES

According to the OSE/ISC, the New Mexico Legislature authorized the ISC to grant funding and technical support to form 16 water planning regions to ensure New Mexico an adequate supply of water in 1987 (NMSA 72-14-4). The regional water planning program was created to enable

regions to locally assess water demand and supplies and identify solutions to meet future water needs. The Water Trust Board uses whether a proposal is included in an ISC-accepted regional water plan as criteria for funding water projects under the Water Project Finance Act. The 16 regional water plans need continual updating to maintain their utility in equipping regions to respond to water management challenges like recent drought and floods, leading to further uncertainty in future water supplies. The state has invested almost \$4 million to develop 16 regional water plans over the past twenty years. The Legislature appropriated \$400,000 to the OSE/ISC for state and regional water planning in FY14. With those funds the OSE/ISC developed a program of updating all 16 regional water plans and the state water plan over an aggressive two-year period. In FY14, the ISC/OSE received a grant from the NMFA's Local Government Planning Fund. This bill will allow for the state to work with the regions in updating their water plans as well as updating the state water plan per the statute setting out the requirement for a comprehensive state water plan that must be kept updated and closely integrated with the regional water plans.

### **RELATIONSHIP**

The LFC recommended \$483 thousand in general fund for a special appropriation to update state and regional water plans. The executive recommended \$75 thousand in general fund for the same purpose.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The OSE/ISC reported that persistent drought in New Mexico over the past three years raised interest and expectations around the state in updating the state and regional water plans. Recognizing the strong connection between the vetting in the state water plan and funding of regionally prioritized water infrastructure projects, funding for this initiative was heavily supported during the 2013 legislative session.

Absent continued funding at a sufficient level in the coming fiscal year the OSE/ISC will be challenged to update the 16 regional water plans and integrate them with an updated state water plan in the two year period as planned. Absent, continued and sufficient funding the water planning program will be interrupted, leaving the state without the benefit of integrated planning at a time when cooperative efforts to solve water problems is more important than ever.

MM/jl