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FISCAL IMPACT REPORT

SPONSOR Campos **ORIGINAL DATE** 01/28/14
LAST UPDATED 01/29/14 **HB** _____

SHORT TITLE Renovate Morphy Lake Dam **SB** 145

ANALYST McCoy

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
NFI	\$250.0	Non-recurring	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 (OSE)

Department of Game and Fish (DGF)

SUMMARY

Synopsis of Bill

Senate Bill 145 (SB145) appropriates \$250 thousand from the general fund to the Office of the State Engineer (OSE) for expenditure in fiscal year 2015 for planning, design and flood hazard studies required to renovate Morphy Lake dam.

FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2015 shall revert to the general fund.

The OSE notes, the Morphy Lake dam is owned by Acequia de La Isla and Acequia de San Jose.

The OSE also notes the current proposal in SB145 would supplement the \$100,000 in funding for planning and design of dam rehabilitation that was provided by the FY14 severance tax bond (STB) funding approved in the 2013 legislative session. Additional funds are needed to

complete in-depth analyses that have been initiated by the dam owner. The agency reports, the proposal complements the STB funding and should allow the dam owners to advance a preferred alternative for dam rehabilitation and complete all necessary construction documents. Construction funding will have to be secured by the owners in the future to follow up planning and design work that is completed with this proposed appropriation.

The Department of Game and Fish notes, the work required may cost more than the \$250,000 appropriated.

SIGNIFICANT ISSUES

The OSE reports, a number of dam safety deficiencies have been identified at Morphy Lake dam. It was given a rating of “poor” during its last OSE inspection in 2013. Morphy Lake dam is classified as a “low hazard dam” that may need to be reclassified to a “significant” or “high hazard” status based on potential for injury to life and property during a failure event. The owners of the dam are currently applying the existing FY14 STB funding to begin planning and design for the project and are in the process of selecting a design consultant. Analysis and design should be underway in the spring of 2014. The funds requested in SB145 would allow the owners to advance their design, develop a cost estimate for construction and to begin permitting with the OSE dam safety bureau. The dam safety bureau of the OSE supports rehabilitation of Morphy Lake dam because it is on the bureau’s list of dams in need of repairs. The owners will only have one year to fully expend all funds in this proposed appropriation before it reverts to the general fund.

ADMINISTRATIVE IMPLICATIONS

The OSE notes, the agency has the capacity to administer the grant of funds as stated in the bill.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Design for rehabilitation to correct deficiencies at Morphy Lake dam will be delayed by limiting work currently underway to prepare construction documents. Rehabilitation cannot proceed without approved construction documentation.

MTM/jl