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FISCAL IMPACT REPORT

SPONSOR Campos ORIGINAL DATE 1/29/18
 LAST UPDATED _____ HB _____

SHORT TITLE Renovate Morphy Lake Dam SB 150

ANALYST Sánchez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	\$2,000.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act; Capital Outlay bills

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the State Engineer (OSE)

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

Senate Bill 150 proposes to appropriate \$2 million from the general fund to the Office of the State Engineer to renovate Morphy Lake dam. Any unexpended balances remaining at the end of FY19 shall revert to the general fund.

FISCAL IMPLICATIONS

The Office of the State Engineer (OSE) reports that it does not have resources in the dam safety bureau dedicated to dam rehabilitation so the administration of this appropriation will require it to assign staff resources to fulfill the requirements of this bill. The rehabilitation of Morphy Lake dam is the first project on its list to repair.

The Energy, Minerals and Natural Resources Department (EMNRD) State Parks Division manages Morphy Lake State Park through an agreement with the Acequia de la Isla and San Jose

Community Ditch Associations and the New Mexico Department of Game and Fish.

LFC files from February 2017 show that OSE indicated it would cost \$2.5 million to rehabilitate Morphy Lake dam and that the owners have almost \$1.1 million in loans and grants for the project and it would need \$1.4 million. By the fall of 2017, it calculated the amount to complete the project at \$2.9 million, and the need to complete had climbed to \$1.6 million. More than earlier in the year but \$400 thousand less than the appropriation in this bill.

Senate Bill 462 of the 2017 session contained \$1 million for the project detailed in this bill; however, the governor vetoed the bill.

SIGNIFICANT ISSUES

OSE reports that the design for rehabilitation has been prepared and the owners are in position to begin construction with little delay. The dam's current condition rating is poor based on field inspection by OSE that applies FEMA criteria. Concern with the condition of the dam in summer 2015 caused OSE to request that the owners restrict inflows to the lake and the owners have been monitoring the dam since that time.

EMNRD states that renovation of the dam may require the State Parks Division to full or partial closures of Morphy Lake State Park, which could impact its revenue. The dam rehabilitation project would require the State Parks Division to coordinate with the OSE and other minimizing any impact to park visitation and revenue generation.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to the General Appropriation Act and capital outlay bills.

ABS/sb