

LFC Requester:

Davidson

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 02/05/2026

Check all that apply:

Bill Number: SB 310

Original Correction

Amendment Substitute

Sponsor: Pete Campos

Short Mora Water & Sewage
Improvements

**Agency Name
and Code**

667 – NM Environment
Department

Number:

Person Writing

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
	\$1,100	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 310 (SB310) appropriates \$1.1 million from the general fund to the New Mexico Environment Department (NMED) for FY27 to plan, design and construct improvements to the Mora Mutual Domestic Water Consumers and Mutual Sewage Association Water System in Mora County. Any unexpended funding would revert at the end of FY27.

FISCAL IMPLICATIONS

SB310 appropriates capital funding for a specific local water system project but does not include funding for NMED staff or administrative oversight to manage the project.

If NMED is expected to administer planning, design, procurement, construction oversight, and reporting requirements, the Department would incur additional workload and administrative costs that are not currently funded in the base operating budget. Existing Construction Programs and technical staff already manage a high volume of projects statewide and have limited capacity to absorb additional direct project management responsibilities.

Consistent with other capital outlay practices, an administrative set-aside or fee structure would be appropriate to cover oversight, contract management, and compliance activities associated with the appropriation. If NMED is expected to provide full project management services for this project, rather than the funding oversight role it takes on capital outlay and loan funded projects, it would take approximately 0.5 FTE to implement this funding and could be absorbed by existing staff.

SIGNIFICANT ISSUES

NMED's primary role is regulatory oversight and technical assistance, including compliance monitoring and enforcement under the Safe Drinking Water Act. Direct responsibility for planning, designing, or constructing drinking water infrastructure creates a potential conflict of interest with NMED's regulatory function.

Local governments and utilities are typically responsible for project implementation, while NMED provides funding assistance, technical guidance, and oversight. Assigning NMED direct project delivery responsibilities blurs this distinction and may compromise the Department's independent enforcement role.

Additionally, one-off appropriations for individual systems can create inconsistent project delivery expectations and increase administrative burden compared to established funding programs such as the Drinking Water State Revolving Fund.

PERFORMANCE IMPLICATIONS

Repair or replacement of aging infrastructure at the Mora system would improve operational reliability and support compliance with state and federal drinking water standards.

With the current state of the collection and wastewater treatment system any replacement of the aging infrastructure will result in better compliance with the discharge permits.

These outcomes would positively influence NMED's performance measures related to compliance rates and the percentage of the population served by systems meeting health-based standards.

ADMINISTRATIVE IMPLICATIONS

NMED does not have dedicated staff structured to directly manage the planning, design, and construction of local infrastructure projects. Implementation of this appropriation would require the Department to assume responsibilities that extend beyond its core regulatory and assistance functions, including contract development and procurement, engineering and construction oversight, fiscal tracking and reporting, and ongoing coordination with the utility and external contractors. These additional duties would increase the Department's administrative workload without corresponding staffing or funding support.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None identified

TECHNICAL ISSUES

NMED does not employ staff whose primary function is infrastructure design or construction management. Effective implementation would require external engineering and construction contracts.

OTHER SUBSTANTIVE ISSUES

If enacted, NMED would effectively serve as the project agent for the utility, which is inconsistent with the Department's regulatory and oversight mission. This approach may set expectations for similar direct implementation roles in future capital appropriations.

ALTERNATIVES

Funding could be provided directly to the Mora utility or through an established financing mechanism, such as the Drinking Water State Revolving Fund, with NMED providing oversight and technical assistance rather than direct project management. Including administrative funding for NMED oversight would better align responsibilities with available resources.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB310 is not enacted, the Mora system would not receive the proposed state funding for infrastructure improvements through this appropriation and would need to pursue alternative funding sources, including existing state or federal financing programs, to complete necessary upgrades.

The current wastewater system has historical issues dating back to the mid-2000s. The sewer system currently has so many issues the Village is unable to effectively begin the design phase for the wastewater treatment system to be compliant with the state and federal discharge permits. Not enacting this bill would result in continued poor system performance and ongoing non-compliance with their discharge permits which will adversely impact the ground and surface water in that area.

AMENDMENTS

This project would likely take more than one year to complete. NMED suggests amending the bill's end of FY27 reversion date to the end of FY30 to align with the typical four-year appropriation for capital projects.