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FISCAL IMPACT REPORT

SPONSOR: Rawson DATE TYPED: 02/03/03 HB _____

SHORT TITLE: Information on Water Infrastructure Problems SB SJM 18

ANALYST: Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
		\$134.4		Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Finance Authority (NMFA)

Office of the State Engineer (OSE)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 18 requests that the Water Trust Board (WTB) and OSE compile information on leakage and other water infrastructure problems of water systems and recommend appropriate remedies to the appropriate interim Legislative committee by December 1, 2003.

Significant Issues

The WTB estimates that there are \$2.25 billion needed in New Mexico over the next 40 years for water infrastructure projects; however, information on maintenance requirements of existing systems is not readily available. Funding mechanisms need to be identified to ensure that water systems are properly maintained and repaired as needed. Federal responsibilities, such as levy repair on the Rio Grande, need to be included in the assessment and communicated to the appropriate federal agencies and the New Mexico congressional delegation.

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OSE states that a standard data requirement form would need to be developed. The study would entail two steps: performing water demand analysis and audits to determine where efficiencies in delivery could be improved; and address where losses are occurring in the systems.

NMFA, while not providing specifics, states that water infrastructure problems costs millions of gallons on an annual basis.

FISCAL IMPLICATIONS

There is no appropriation for the study in the joint memorial. The study should identify significant funding needs for future appropriations and OSE estimates that it will cost \$134.4 including 2 FTE to conduct.

ADMINISTRATIVE IMPLICATIONS

Close coordination with municipal, mutual domestic and small water system operators would be required to ensure complete data is obtained. OSE should ensure that the information collected is used in a state water plan. The New Mexico Environment Department could provide significant information on drinking water systems.

TECHNICAL ISSUES

Page 2, line 9 insert after the word "board" "the New Mexico environment department".

Page 2, Line 20 insert after the word "board" "the New Mexico environment department".

Recommend that the compiled information be categorized by immediacy of repair to ensure public safety and health.

OTHER SUBSTANTIVE ISSUES

OSE points out that wasting water is a misdemeanor and that the statement on page 1, line 19, may be an "over statement."

POSSIBLE QUESTIONS

1. How will the interim Legislative committee use the information requested to prioritize maintenance and repair needs?

GAC/njw