



terms and conditions of grants or loans.

### Significant Issues

Senate Bill 841 amends the Water Project Finance Act to:

- Expand the definition of a “political subdivision” to include water and sanitation districts or association organized and existing under the Sanitary Projects Act;
- Clarify the definition of a “qualifying entity” to include a political subdivision of the state or a recognized Indian nation, tribe or pueblo, the boundaries of which are located wholly or partially in New Mexico, thereby allowing these entities to receive direct financial assistance from the Water Trust Board;
- Expand the conditions of grants or loans to give priority to projects that are in a regional water planning area and are urgent to meet the needs of the area, and have matching contributions from federal or local funding sources available;
- Require that the appropriate state and federal permits and authorizations be obtained prior to initiating or funding the project;
- Clarify that “endangered species” means the “Federal Endangered Species Act of 1973”;
- Authorize qualifying water projects to include conservation, recycling, treatment or reuse of water;
- Provide that the service area for a project is wholly within boundaries of the state; and
- Require that plans and specifications shall be approved by the Authority after review and recommendation of the State Engineer and Environment Department;

### **OTHER SUBSTANTIVE ISSUES**

Enacted in 2001 (Chapter 164), the Water Finance Act created the Water Trust Board (WTB) for the purpose of making recommendations to the legislature and governor for financing projects to help meet New Mexico’s water needs. WTB members include the state engineer as chairman; the president of the Navajo Nation; directors of the New Mexico Finance Authority, New Mexico Municipal League, New Mexico Association of Counties; secretaries of the Energy, Minerals & Natural Resources Department, Department of Agriculture, Department of Game and Fish, Department of Environment; and representatives of the Acequia Water Users, Irrigation or Conservancy Districts (ground water), the environmental community, and an appointee of the New Mexico Commission on Indian Affairs.

Current statute requires the WTB to consider water problems and solutions for storage, conveyance and deliver of water; implementation of the Endangered Species Act Collaborative Programs; restoration and management of watersheds; and flood prevention as a criterion for water projects to be considered for financial assistances from the Water Project Fund. Senate Bill 841 requires the WTB to include water use conservation, recycling, treatment or reuse of water as a criterion for qualifying for loans and grants.

### **TECHNICAL ISSUES**

The Office of the State Engineer offers the following technical amendments to Senate Bill 841:

**Senate Bill 841/aHenrc -- Page 3**

1. On page 3, line 17, change the word “has” to “have”
2. On page 3, line 19, between the words “initiate” and “the”, insert the word “complete”

**LMK/njw:yr**