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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/22/10

SPONSOR Nunez LAST UPDATED \_\_\_\_\_ HB 14

SHORT TITLE Water Planning SB \_\_\_\_\_

ANALYST Woods

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	\$400.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the State Engineer (OSE)

### SUMMARY

#### Synopsis of Bill

House Bill 14 seeks to appropriate \$400,000 from the general fund to the Interstate Stream Commission for expenditure in FY 2011 and subsequent years to support water planning. Any unexpended balance at the end of a fiscal year would not revert to the general fund.

### FISCAL IMPLICATIONS

The legislation appropriates \$400,000 from the General Fund.

### SIGNIFICANT ISSUES

PSE notes that, in 1987, the Interstate Stream Commission (ISC) was authorized to implement a program for regional water planning with the intent of ensuring an adequate supply of water for each region (NMSA 72-14-43). As also mandated by statute (NMSA 72-14-3.1), the ISC developed a State Water Plan in 2003, completed a review in 2008, and has made significant progress on updating the State Water Plan. Adding to all sixteen completed regional water plans, milestones reached in meeting state water planning statutes include: initiating integration of the state's 16 regional water plans with the State Water Plan, conducting comprehensive statewide public meetings to gather input on the State Water Plan and relevant regional plan, and compiling current data on water use and population for incorporation into the updated State Water Plan. State statutes and sound water management policy dictate that both the regional and state and regional water plans be integrated and updated at regular intervals.

## **OTHER SUBSTANTIVE ISSUES**

OSE notes that, by law, the State Water Plan is to be reviewed and updated at a minimum of every five years and that effective water management within the state requires almost constant interaction with water users. Public input from public meetings and regional workshops are essential to chart the best course for future water management. The law also requires that regional water plans be integrated into the state water plan. The reasons for updating water plans include:

- changing hydrologic conditions,
- new data,
- implementation of accepted strategies,
- changed legal and institutional parameters,
- population growth and increased water demand (NM population reached the 2 million mark this year),
- climate change issues,
- development of emergency responses to severe droughts or flooding, and
- new economic development scenarios and their related changes in water usage.

OSE concludes that that primary benefit of funding this request is to build on successful efforts at engaging water users in each area of the state to develop plans that affect their own water resources, as well as contribute to their integration into statewide water policies. This funding request addresses the need to update some of the earliest water plans that were developed in the 1980s and are outdated. Only \$55,000 has been allocated by the legislature in recent years to update all 16 regional plans. Some of the benefits of an effective and on-going water-planning program include:

- Current and technically accurate data about their water resources and demands helps communities address the effects of global climate change resulting in increased climate variability that manifests as droughts and floods.
- Assists the state in meeting its interstate compact obligations.
- Provides a basis for prioritizing water and wastewater infrastructure investment.
- Provides statewide continuity of policy relative to management of our water resources.
- Helps identify water-related infrastructure and management needs and opportunities to leverage federal and other funding.
- Provides strategies for watershed management and protection of water quality.
- Provides strategies for protection of endangered species.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

OSE states, “Without adequate resources to update and integrate existing regional and state water plans, the state’s massive investment in water management and infrastructure cannot be fully utilized. Other consequences of not funding this expansion include: lack of foresight to develop or improve infrastructure for growing municipal and industrial demand with the attendant loss of economic potential; lack of data to assure water supplies for the future; lack of preparedness for climate change and drought; and lack of critical public input into state and regional water planning decisions. The State’s historical contribution to develop 16 regional water plans has been \$3,825,411, for an average cost of \$239,088 per plan. Not funding this request will cause these plans to become outdated, obsolete and useless. The investment to date will have been lost.”