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FISCAL IMPACT REPORT

SPONSOR Akhil ORIGINAL DATE 02/27/19
 LAST UPDATED _____ HB 633

SHORT TITLE Utility Operators Certification Act SB _____

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0.0	\$750.0	\$750.0	\$1,500.0	Recurring	State and Federal Funds

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Environment Department (NMED)

SUMMARY

Synopsis of Bill

House Bill 633 proposes amendments to the Utility Operators Certification Act (UOCA), Sections 61-33-1 to 10 NMSA 1978, to change the authority over the Utility Operators Certification Program (UOCP) from the Water Quality Control Commission (WQCC) to NMED. Under the bill, NMED would have direct control over water and wastewater utility operators beginning July 2019. HB633 also removes the requirement for two advisory board members to sit as WQCC members on matters relating to the UOCA. Appeals relating to decisions under the UOCA would be directed to district court rather than the WQCC. Finally, HB633 adds the responsibility for NMED to design, construct, and administer one or more training facilities for utility operators or anyone seeking training, experience, and qualifications pursuant to objectives of the UOCA and to administer, test, and demonstrate materials and systems used in utility operator training facilities.

FISCAL IMPLICATIONS

HB633 does not include an appropriation to construct, maintain, or operate a training facility.

NMED reports it costs approximately \$450 thousand to administer the current program, which receives approximately \$75 thousand in revenue annually from exam and renewal fees. The

remaining costs of the program are funded by the state corrective action fund (CAF) at NMED and federal drinking water state revolving fund (DWSRF) set-asides grant.

NMED estimated initial costs of approximately \$750 thousand to \$1.5 million would be necessary to design, construct, and maintain the training facility and administer the training program. A centralized training facility would offset current costs for renting facilities for training and testing, but rental costs are currently less than the cost to construct, operate, and maintain a new facility or facilities. Training and test sessions are currently held across the state.

SIGNIFICANT ISSUES

NMED noted the addition of one or more utility operator training facilities in New Mexico would address current needs for better training and more certified operators in the state. Specifically, there is a need for a hands-on training facility where actual water treatment equipment is used for learning purposes. This would require partnerships with higher education programs or operator training programs, such as the New Mexico Water and Wastewater Association or New Mexico Rural Water Association, to become a successful and sustainable utility operator training program.

PERFORMANCE IMPLICATIONS

NMED further noted better trained operators leads to better results for public health and the change in oversight to the department should not impact program performance.

ADMINISTRATIVE IMPLICATIONS

NMED will incur costs for rulemaking, developing procedures, and from enforcement actions.

OTHER SUBSTANTIVE ISSUES

Currently, Dona Ana Community College has a water technology associates degree and certificate program, which uses a hands-on water and wastewater treatment plant training facility in Las Cruces. This is similar to the training facility proposed here, however, enrollment is required and the cost is \$100 per credit.

The proposal in HB633 is an improvement on what is currently available because utility operators would be required to take ongoing training credit hours every three years for operator certification renewals in addition to the initial credits required to take each exam such as those awarded at the community college. There are currently more than 2,500 utility operators in the state.

ALTERNATIVES

NMED suggests a scoping analysis to determine costs and develop an implementation plan.