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## FISCAL IMPACT REPORT

**SPONSOR** Pinto/Allison                      **ORIGINAL DATE** 02/03/21  
**LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_  
**SHORT TITLE** Statewide Watershed Study                      **SB** 166  
**ANALYST** Wan

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$50.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$15.0		\$15.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Office of the State Engineer (OSE)

Environment Department (NMED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 166 appropriates \$50 thousand from the general fund to the Environment Department (NMED) for the purpose of contracting with an organization to conduct a statewide watershed study to review water infrastructure projects in agricultural areas and undeveloped areas that lack water diversion from major rivers in the state.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

## **FISCAL IMPLICATIONS**

The appropriation of \$50 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY22 shall revert to the general fund.

NMED states that a part-time project and contract manager would be needed to administer the contract, at a cost of \$15 thousand. The agency states that without an additional appropriation for this purpose, \$15 thousand of the bill's \$50 thousand appropriation will be spent on procurement and contract oversight during the study, leaving \$35 thousand for the contract award.

## **SIGNIFICANT ISSUES**

NMED and the Office of the State Engineer (OSE) indicated the language in SB 166 is unclear as to the purpose of the study, including the type of water infrastructure projects to be reviewed by the contractor. OSE contributed the following:

“If the intent ... is to study watersheds to explore additional water supplies for existing agricultural or undeveloped areas that are not connected to a major river basin, then the study should focus on basins that are not connected to the Rio Grande, including the Rio Chama, Gila and San Francisco Rivers, Pecos, Canadian, San Juan, and Costilla Creek. If the intent is also to review water infrastructure projects in agricultural and undeveloped areas of the state, this appears to be a separate study from a watershed study, requiring different expertise.”

Both NMED and OSE also noted that NMED is generally not involved in infrastructure projects related to surface water access or investigation of water supply. Without expertise in this area, NMED reports it would be unable to define the scope and technical requirements of the contract described in SB166. OSE suggested that another entity, such as the New Mexico Water Resources Research Institute, a State Regional Planning entity funded by the Interstate Stream Commission (ISC), or the OSE/ISC itself, may be better suited to carry out this project.

The agencies also expressed that the appropriation amount is insufficient to fund a comprehensive statewide watershed study and the timeframe of one fiscal year may not be long enough to fulfill the contract, depending on its specific goals.

CW/sb