

LFC Requester:

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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date 1/22/2024

Bill No: SB95

Sponsor: Crystal Diamond Brantley
Short T or C Water Line
Title: Improvements

**Agency Name
and Code** NMED-667
Number: _____

Person Writing John Rhoderick

Phone: 505-819-8284 **Email** John.Rhoderick@env.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	\$20,000.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 95 (SB95) appropriates \$20 million from the general fund to the Department of Finance and Administration (NMDFA) to plan, design, construct, replace, and improve water lines in Truth or Consequences in Sierra County.

FISCAL IMPLICATIONS

There is no fiscal impact to NMED expected as this appropriation will be allocated to NMDFA. The NMED Drinking Water Bureau will be responsible for reviewing the plans and specifications

for the improvements.

SIGNIFICANT ISSUES

Truth or Consequences has not submitted its 2023 annual financial audit and will not be eligible to receive legislative appropriations until its audit is finalized and submitted, reviewed, and made publicly available by the Office of the State Auditor.

PERFORMANCE IMPLICATIONS

NMED regulates public drinking water systems in New Mexico. SB95 appropriates funding to replace failing infrastructure in Truth or Consequences. Repair or replacement of failing infrastructure at public water systems like Truth or Consequences may result in a positive impact on relevant NMED regulatory performance measures.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Truth or Consequences is on the legislative authorization list in HB148 to be legislatively approved for Water Trust Board (WTB) Funding for the same project. Truth or Consequences applied to the Water Project Fund in the FY24 application cycle for \$16 million. WTB awards will be made in May 2024.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

The funding in SB95 will be redundant to the funding Truth or Consequences is expected to receive from the Water Project Fund. A smaller amount can be awarded via the capital outlay bill for SFY24 to provide additional funds to complete the first phase of the water line replacement project. The Water System Asset Management Plan prepared by Wilson and Company in June of 2023 provided a cost estimate of \$24.9 million dollars to replace the water lines characterized as very poor.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB95 is not passed, the city of Truth or Consequences will not receive \$20 million in state funding to improve their water distribution system and is expected to receive funding from the WTB in May 2024 for the same project.

AMENDMENTS