

New Mexico Strategic Water Reserve

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Strategic Water Reserve Purpose

The Strategic Water Reserve was enacted in 2005 as a management tool for the Interstate Stream Commission to purchase and lease water, water rights and storage rights.

Strategic Water Reserve Statutory Goals

Water in the Reserve shall be used to:

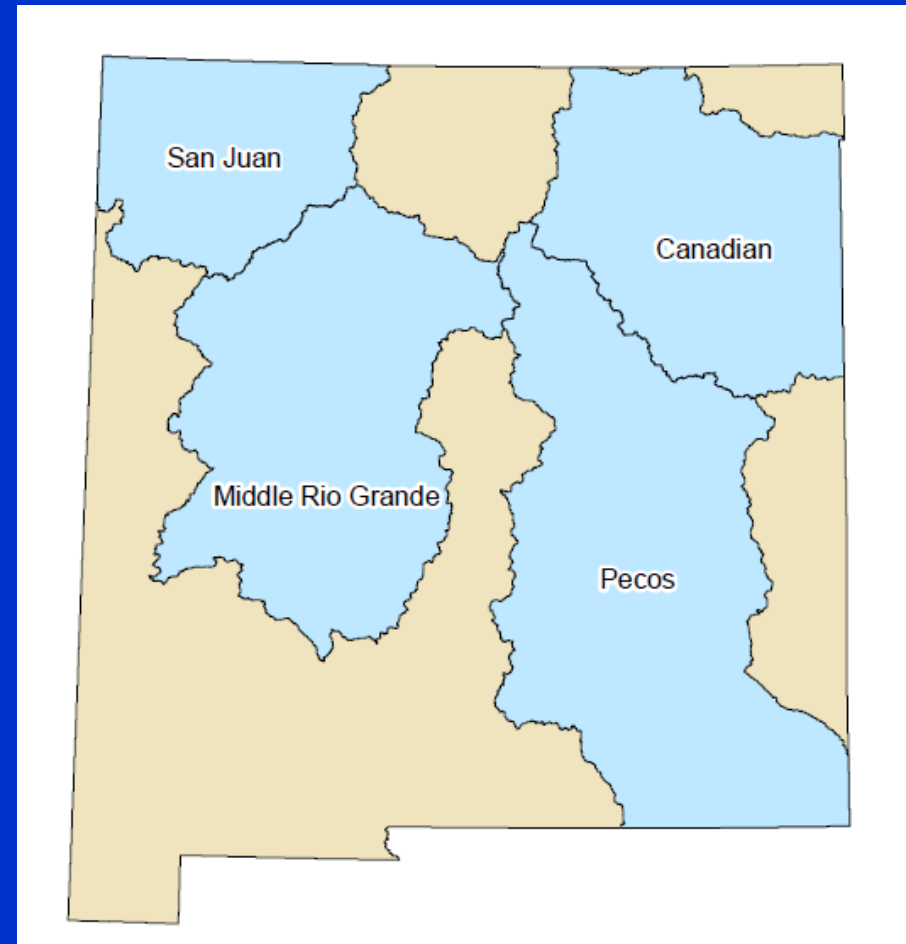
1. Assist with interstate stream compact compliance and court decrees, and
2. Assist the state and water users in efforts to benefit threatened & endangered species

Strategic Water Reserve Statutory Constraints

- No new depletions
- No acequia water
- No irrigation district or special water users association water without prior agreement
- Must comply with State Engineer transfer process
- Water must remain in river reach or groundwater basin of origin
- No condemnation
- No impairment to existing users

Strategic Water Reserve Priority Basins

- Pecos
- Middle Rio Grande
- Canadian
- San Juan (new for 2020)



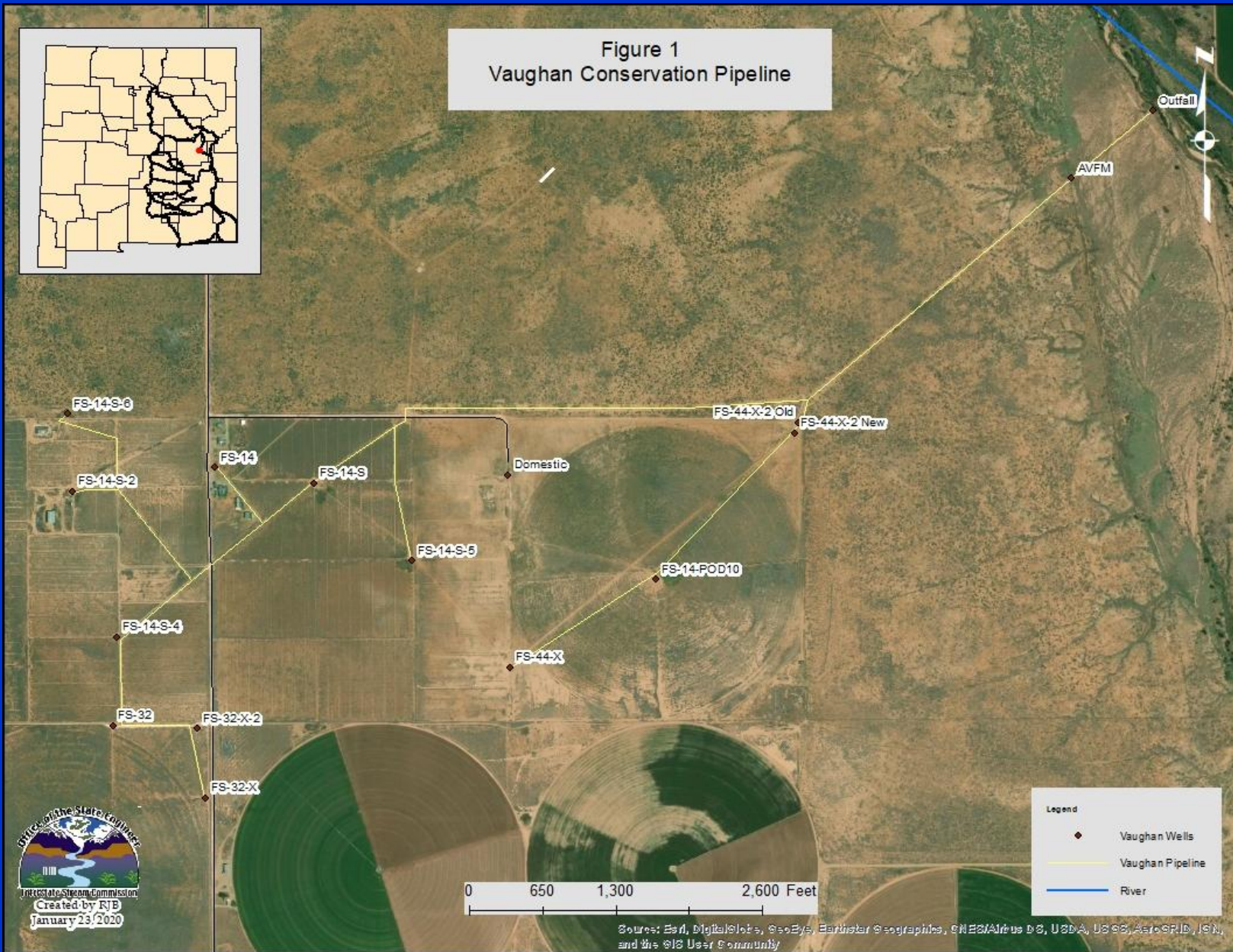
Pecos Basin - SWR Actions

Vaughan Conservation Pipeline

- Supports Carlsbad Project ESA compliance as required by the 2017 U.S. Fish and Wildlife Service BO for the Pecos Bluntnose shiner
- 25-year agreement between NMISC and the U.S. Bureau of Reclamation, signed in 2007
- 1,649 AFY (cu) owned by ISC
- 2,326 AFY (cu) leased by Reclamation



Figure 1
Vaughan Conservation Pipeline



Legend

- ◆ Vaughan Wells
- Vaughan Pipeline
- River

0 650 1,300 2,600 Feet



Sources: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Pecos Basin - SWR Actions

Vaughan Conservation Pipeline

- 14,863 AF delivered to the river since implementation in 2008
- 2019 operations:
 - 92 total days in service
 - 8.5 cfs = average flow rate
 - 1,616 AF delivered
- NMISC is reimbursed by Reclamation for:
 - Initial expenditures for water rights purchases and pipeline construction
 - Ongoing O & M



Middle Rio Grande Strategic Water Reserve

Overarching Goals for MRG Strategic Water Reserve

- Assist with water management efforts for the benefit of threatened and endangered species
 - Rio Grande silvery minnow
 - Southwestern willow flycatcher
- Assist with Rio Grande Compact compliance

MRG Existing Acquisitions

Partner	Type of Agreement	Consumptive Use Amount	Purchase or Lease Price	Type of Water Rights	Uses of the Permitted Water Rights
NM General Services Department (Dec 21, 2006)	Lease	23.87 AF/yr	\$50 per AF/yr	Groundwater	Endangered species habitat restoration; compliance with Rio Grande Compact.
Village of Los Lunas (Jan 11, 2011)	Lease	921.328 AF/yr	\$85 per AF/yr, adjusted annually for inflation.	Surface water	Compliance with Rio Grande Compact; to offset depletion resulting from release of water from El Vado Reservoir during spawning of endangered Rio Grande silvery minnow.
US Bureau of Reclamation (Apr. 23, 2014)	Lease	154 AF/yr		Surface water	To offset depletions resulting from augmentation of Rio Grande surface flows to benefit endangered species.
US Bureau of Reclamation and Town of Bernalillo (Nov. 18, 2017)	Lease	139.61 AF/yr		Surface water	To offset depletions resulting from augmentation of Rio Grande surface flows to benefit endangered species.
TOTAL		1,239 AF/yr			

Middle Rio Grande Strategic Water Reserve Actions

- Habitat restoration offset (primary goal)
- Supplemental flows
 - Limited flow augmentation via groundwater pumping (primary goal)
 - Extensive flows via reservoir storage and release (long-term primary goal)
- Compact compliance via cessation of depletions (long-term secondary goal)

Example Habitat Restoration that Increases Depletions



Before

San Juan River - SWR

- Goal: to support New Mexico efforts on the Colorado River Basin Drought Contingency Plan (DCP).
- Negotiating a lease with the Jicarilla Apache Nation for a portion of the Nation's San Juan River water to be used by the NMISC to meet SWR purposes and DCP efforts



Strategic Water Reserve

Practical Constraints

- Funding uncertainty
 - \$750K in 2020 Legislative Session
- Restrictive legislative language (lease vs. purchase)
- Expense of water rights (basin dependent)
- Limited quantity of available senior rights (basin dependent)
- Physical hydrology of the system
- Institutional interests
- Lack of reservoir storage
- High transactional costs (funding and time)

New Mexico Unit Fund

**Presentation to the
Interim Water and Natural Resources Committee**

**Presented by:
Rolf Schmidt-Petersen**

November 9, 2020

NM Interstate Stream Commission



Introduction

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- NM Unit Fund: a fund in the New Mexico treasury
- Fund administered by the ISC
- The Unit Fund Act requires that the ISC report to the LFC and IWNRC every year by November 15 on:
 - ▣ Status of the Fund
 - ▣ Distribution of money to implement the purpose of the Fund
 - ▣ Proposed uses and levels of funding projected for the upcoming fiscal year

History

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- Unit Fund created by the NM Unit Fund Act, NMSA 1978, § 72-14-45
- Under the Laws of 2011, Chapter 99
- The AWSA provides \$66 million (adjusted for inflation to \$90.4 million) to pay for costs related to:
 - A New Mexico Unit (“NM Unit”) to develop additional water provided to New Mexico under the AWSA or
 - Other water utilization projects in the counties of Catron, Grant, Hidalgo, and Luna;
 - Between 2014 and 2016, the ISC allocated \$9.1 million to 16 projects in the region.
- This tier of AWSA funding is being deposited into the Unit Fund since January 2012
 - 9 out of 10 payments of \$9.04 M received to date; final payment due in January 2021

Status of Unit Fund as of 9/30/20

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- Total received to date: \$81.36 M
- Total increase in market value of investments through the State Investment Council: \$11.42 M
- Total self-earning interest in the Unit Fund: \$1.31 M
- Total expended since FY2012:
 - ▣ NM Unit: \$14.52 M
 - ▣ Non-NM Unit project: \$7.54 M

- Current Balance: \$72.03 M

Distribution of Money since FY12

Breakdown of Cumulative Expenditures as of 9/30/20

		NM Unit <i>(in million dollars)</i>	Non-NM Unit <i>(in million dollars)</i>
NMISC administration		1.17	1.15
NMISC contractual expenses for its AWSA program	technical vetting and studies	4.94	0.42
	legal/litigation costs	0.73	0.00
	public outreach costs	0.06	0.03
NMISC sixteen Non-NM Unit projects expenses <i>(paid out of the \$9.1 million allocated by the Commission)</i>		N/A	5.93
Advances to Reclamation for NM Unit NEPA <i>(since November 2016; to end in June 2020; 85% spent to date; Any unspent funds will revert back to the Unit Fund; estimated about \$740K)</i>		5.12	N/A
CAP Entity operating expenses <i>(since July 2015)</i>		2.50	0.00
Total		14.52	7.54

Distribution of Money and Proposed Uses in FY21-22

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Distribution of Money from the Unit Fund	Approved FY2021 Budget	Projected FY2022 Budget
NMISC's operating budget for its AWSA program (NM Unit and Non-NM Unit)	\$315,000	\$452,000
NMISC's contractual budget for its AWSA program (NM Unit and Non-NM Unit)	\$300,000	\$300,000 <i>(estimated)</i>
NMISC's grants to Non-NM Unit projects	\$3,165,787 set aside <i>(balance remaining from \$9.1 million allocated by the NMISC)</i>	
U.S. Bureau of Reclamation's budget to close out the National Environmental Policy Act process related to NM Unit	\$79,000	\$0
New Mexico CAP Entity's operating budget related to NM Unit	\$381,800	\$253,700

Summary

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- The balance of the Unit Fund as of September 30, 2020: \$72.03 M
- In January 2021, the NMISC will receive the final AWSA payment
- By June 2021, the NMISC will receive any unspent funds out of the total amount previously advanced to Reclamation for the NM Unit NEPA process
- The NMISC will continue monitoring the stock market and consider investing more funds when appropriate in accordance with the Joint Powers Agreement with the SIC
- The NMISC anticipates expenditures in FY2022 to include:
 - NMISC's administration of its AWSA program, including but not limited to:
 - Continuing supporting the existing Non-NM Unit projects,
 - Exploring opportunities to aid development of other potential shovel-ready projects in consultation with the CAP Entity
 - Obtaining technical and legal contractual services as necessary
 - Expenses related to the existing and ongoing Non-NM Unit projects
 - CAP Entity's operating expenses

Thank you!

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□ Questions?