



New Mexico Interstate Stream Commission



Update on the NM Unit Fund

Jesse Shapiro, Arizona Water Settlements Act (AWSA) Manager
Water and Natural Resources Committee - August 31, 2026

The New Mexico Unit Fund

was established by the 2004 Arizona Water Settlements Act (AWSA) and modified by New Mexico's 2021 Unit Fund Act

Purpose: to pay the costs of water utilization projects to meet water supply demands in the southwest planning region of New Mexico

Eligible Areas: SW region: Catron, Grant, Hidalgo and Luna counties

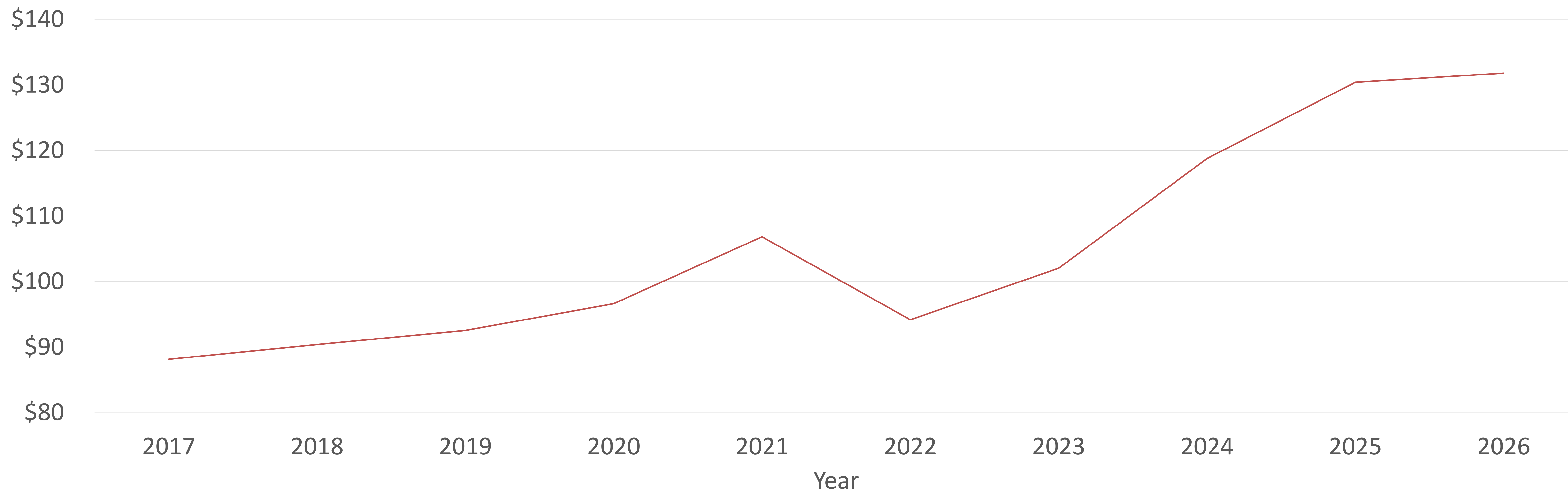
Eligible Applicants: Any political subdivisions of the state + Nations, Tribes, and Pueblos + Public Institutions of Higher Education

Administration: Interstate Stream Commission

Partner: Water Trust Board

NM Unit Fund Balance

Total Value of NM Unit Fund (Millions \$)



Interest-Bearing Account

Earning: 3% per year
Balance: ~\$40 million
Managed: NM State

Investment Account

Earning: 10% per year
Balance: ~\$90 million
Managed: NM State investment Council

Note: The NM Unit fund resources are considered state funds, not federal, and they don't revert if not used.

Utilizes a Complementary Fund Management Approach

that seeks to fill funding gaps and maximize leveraging of other funding sources

WHY A COMPLEMENTARY APPROACH?

- » Reinforces a longer-term and broadly distributed fund management strategy
- » Embraces a flexible implementation approach to help address common financing challenges
- » Directs expensive projects to leverage other resources
- » Aligns with best practices of effectiveness, efficiency and sustainability

HOW IS IT ARTICULATED IN THE POLICY?

- » Establishes a cycle spending cap of \$26 million
- » Extends implementation up to 4 years
- » Establish aligned goals for projects:
 1. Ensure activities are strategic within the local context;
 2. Focus resources on creating an impact;
 3. Support an approach that sustains benefits;
 4. Ensure there is a readiness to proceed;
 5. Leverage other resources; and
 6. Represent good value for money.

Strengthened Award Process



Expanded Eligibility

- ☐ Allow for planning, design, and construction projects
- ☐ Apply a broad interpretation of “water utilization”
- ☐ Create opportunity for creative cost-share approaches



Improved the application process

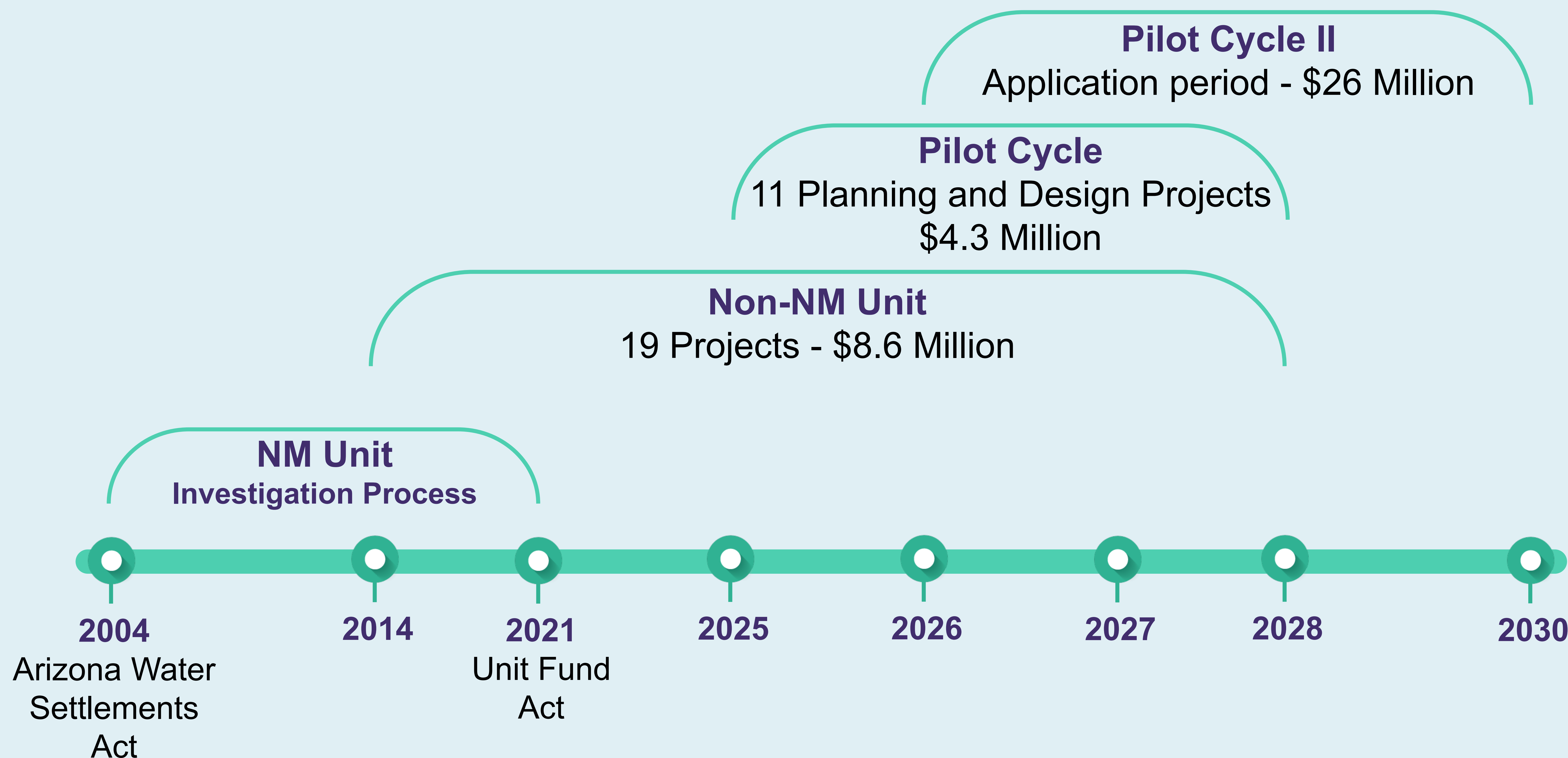
- ☐ Simplified the application
- ☐ Ensure strong technical review in partnership with Water Trust Board
- ☐ Improved evaluation criteria



Encourage fairness and increased participation

- ☐ Provide application support
- ☐ Establish special eligibility categories: Small Entities and Planning and Design
- ☐ Ensure opportunities for public input

Status of NM Unit Fund Projects



Example Project: Cliff-Gila River Stabilization

Project:

Construction three in-stream stabilizations to protect irrigation infrastructure from damage

Partners:

- Grant County (fiscal agent)
- Gila Basin Irrigation Commission
- The Nature Conservancy

Total Cost: \$ 7,770,095.81

NM Unit Fund Cost: \$737,313.45



Example Project: Asset Management Plan

Project:
Complete an asset management
plan for the City of Lordsburg

Partners: City of Lordsburg

NM Unit Fund Cost: \$279,555



ASSET MANAGEMENT PLAN



Example Project: Bayard Well Design

Project:

Inspection, testing, and design for the rehabilitation of a well and transmission line

Partners:

- Village of Santa Clara and Town of Silver City

NM Unit Fund Cost: \$1,166,874.11

Note: Part of Grant County Regional Water Project



Questions?



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