

Office of the State Engineer



Interstate Stream Commission

2025 OSE/ISC Annual Report on Funding for Tribal Water Rights Settlements

Elizabeth K. Anderson, P.E.
New Mexico State Engineer

Tanya Trujillo
Deputy State Engineer

Hannah Riseley-White
Interstate Stream Commission, Director

Nat Chakeres
Office of the State Engineer, General Counsel

Governor Myron Armijo
OSE & ISC Tribal Liaison

Office of the State Engineer
Concha Ortiz y Pino Building
130 South Capitol
Santa Fe, NM 87501
(505) 827-6091
www.ose.nm.gov

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**STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER**

CONCHA ORTIZ Y PINO BUILDING, 130 SOUTH CAPITOL, SANTA FE, NM 87501
TELEPHONE: (505) 827-6091

**ELIZABETH K. ANDERSON, P.E.
STATE ENGINEER**

Mailing Address:
P.O. Box 25102
Santa Fe, NM 87504-5102

Date: November 12, 2025

To: Rep. Nathan P. Small, Chair, Legislative Finance Committee
Sen. George K. Muñoz, Vice Chair, Legislative Finance Committee
Sen. Shannon D. Pinto, Chair, Interim Indian Affairs Committee
Rep. D. Wonda, Johnson, Vice Chair, Interim Indian Affairs Committee
Sen. Elizabeth "Liz" Stefanics, Chair, Interim Water & Natural Resources
Committee Rep. Matthew McQueen, Vice Chair, Interim Water & Natural Resources
Committee

From: Elizabeth K. Anderson, P.E., State Engineer
Tanya Trujillo, Deputy State Engineer
Hannah Riseley-White, Director, Interstate Stream Commission
Nat Chakeres, General Counsel to the State Engineer
Governor Myron Armijo, OSE & ISC Tribal Liaison

Re: 2025 Funding for Tribal Water Rights Settlements & IWRS Fund Annual Report

The Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) are working with the Tribes, Pueblos, and Nations of New Mexico to settle their water rights claims. The purpose of this report is to update the Interim Indian Affairs Committee, Interim Water and Natural Resources Committee, and the Legislative Finance Committee on the status of Tribal water rights settlements requiring state financing pursuant to the 2005 Indian Water Rights Settlement Fund Act (Act) in NMSA 1978, § 72-1-11. The 2005 Indian Water Rights Settlement Fund Act requires the State Engineer and the Interstate Stream Commission to report by November 15th every year to the Interim Indian Affairs Committee and the Legislative Finance Committee on the following three subjects:

1. The status of proposed Indian water rights settlements requiring state financing;
2. The distribution of funds from the Indian water rights settlement fund to implement approved settlements; and
3. Recommendations on appropriations to the fund necessary to timely implement action of Indian water rights settlements.

This report presents the current status of State funding for Tribal water rights settlements through the Indian Water Rights Settlement Fund, administered by the ISC, and other sources of funding, including the New Mexico State Legislature Special Appropriations to the OSE in 2024 and 2025.

STATUS OF TRIBAL WATER RIGHTS CLAIMS IN NEW MEXICO

Local Settlements Seeking Congressional Confirmation

- Acoma and Laguna in the Rio San José Stream System (S.562/H.R.1322)
- Jemez and Zia in the Rio Jemez Stream System (S.562/H.R.1322)
- Ohkay Owingeh in the Rio Chama Stream System (S.563/H.R.1323)
- Navajo Nation in the Rio San José Stream System (S.565/1324)
- Zuni Indian Tribe in the Zuni River Stream System, and Zuni Salt Lake Protection (S.564/H.R.1444)
- Amendment to Taos Pueblo-Abeyta Settlement Act for Supplemental Funding (Seeking Introduction)

Litigated Claims

- Mescalero Apache in the Rio Hondo/Pecos River Stream System (*State ex rel. Reynolds v. Lewis*, 116 N.M. 194 (Ct. App. 1993))

Finalized & Funded Water Rights Settlements

- Jicarilla Apache in the San Juan River Basin & the Rio Chama Stream System
- Navajo Nation in the San Juan River Basin
- The four Pueblos of Nambé, Pojoaque, Tesuque, and San Ildefonso in the Rio Pojoaque Basin adjudication
- Taos Pueblo in the Rio Pueblo de Taos/Rio Hondo Stream System adjudication

Settlements Currently Under Negotiation

- Santa Clara Pueblo & Ohkay Owingeh in the Santa Cruz/Truchas Stream Systems
- Navajo Nation in the Zuni River Basin
- Ute Mountain Ute Tribe in the San Juan River Basin
- The Six Pueblos of Sandia, Santa Ana, Isleta, Santo Domingo (Kewa), Cochiti, and San Felipe in the Middle Rio Grande Stream System

Summary

The ISC Indian Water Rights Settlement Fund currently holds accounts for three Congressionally authorized settlements: the Navajo Nation San Juan River Basin Water Rights Settlement, the Taos Pueblo-*Abeyta* Water Rights Settlement, and the *Aamodt* Settlement of Pojoaque River Basin Water Rights for the Pueblos of Nambé, Tesuque, Pojoaque, and San Ildefonso (*Aamodt*). Although the State has satisfied its cost share obligation under the original agreements, the construction costs have increased significantly since they were estimated at the time the settlements were entered, resulting in a deficit for all three of these project-based settlements.

The five pending settlements awaiting Congressional confirmation are fund-based settlements that establish trust funds for the Pueblo, Tribe, or Nation to use for water related needs, rather than project-based settlements funding specific infrastructure. The fund-based Tribal water rights settlements allow more flexibility for the Pueblos, Tribes, and Nations to make decisions according to the needs of their members and adjust plans as needs change. The total obligation for the pending settlements is nearly \$3 billion for the federal government and approximately \$235 million for the State of New Mexico.

For some of these pending settlements, the State agreed to fund a portion of its obligation early so that a non-Tribal party may expeditiously assess their hydrologic needs prior to Congressional approval. The New Mexico State Legislature allocated a total of \$45 million in two special appropriations for Fiscal Years 2024 and 2025 to support Tribal water settlements and reaffirm its commitment to the agreements made with New Mexico Pueblos, Tribes, and Nations.

I. Current Sources of Funding for Tribal Water Rights Settlements

A. NM ISC Indian Water Rights Settlement Fund Appropriations

Table 1 shows the remaining funds in the Indian Water Rights Settlement Fund (IWRS Fund) and which settlement these funds are allocated to. Table 2 shows the status of the project costs, federal and state appropriations, and the outstanding state obligations for each congressionally signed settlement.

**Table 1
IWRS Fund Balance**

Description of Appropriation	Total Appropriation	Expended	Balance	Earmarked Funds	Remaining IWRSF Balance After Payments ⁽²⁾
2009- appropriation for Navajo-San Juan and Taos ⁽¹⁾	\$10,000,000	\$9,498,030	\$501,970	\$0	\$501,970
2011-appropriation for Navajo-San Juan, Aamodt, and Taos ⁽¹⁾	\$15,000,000	\$10,692,674	\$4,307,326	\$0	\$4,307,326
2013, 2018, 2019, 2020, 2021, and 2022- appropriations for Aamodt	\$93,425,000	\$80,535,976	\$12,889,024	\$12,800,000	\$89,024
2015 - appropriations for Taos	\$12,735,000	\$11,980,000	\$755,000	\$0	\$755,000
2018 - appropriation for Aamodt and Taos	\$6,175,000	\$6,175,000	\$0	\$0	\$0
Total:	\$137,335,000	\$118,881,680	\$18,453,320	\$12,800,000	\$5,653,320

Notes:

(1) All state obligations have been met for each settlement (Aamodt, Taos, and Navajo-San Juan). Of the remaining amount in the IWRS Fund, \$5,564,296 is reserved for the State's cost-share obligations under the 2010 Taos Settlement Agreement.

(2) The remaining state cost share obligations for Aamodt include index payments to Bureau of Reclamation for 2026 (\$7,000,000) and 2027 (\$1,300,000) and \$4,500,000 for the connection fund.

**Table 2
Funding Obligations Under Congressionally Signed Settlements**

Settlement Agreement	Settlement Project Costs	Federal Appropriations	State Appropriations	Total Appropriated to Date	Outstanding State Obligation
The Pueblos of Pojoaque, Tesuque, Nambe, San Ildefonso (<i>Aamodt</i>) Settlement Agreement	\$430,000,000	\$140,000,000	\$105,000,000	\$282,000,000	\$0
Taos Water Rights Settlement Agreement	\$144,000,000	\$146,000,000	\$20,000,000	\$166,000,000	\$0
Navajo Nation San Juan Basin Settlement Agreement	\$2,194,000,000	\$1,785,000,000	\$60,000,000	\$1,899,000,000	\$0
Total:	\$2,768,000,000	\$2,071,000,000	\$185,000,000	\$2,347,000,000	\$0

B. OSE Special Appropriations to Support Tribal Water Settlements

In 2024, the NM Legislature appropriated \$20 million to the OSE for Tribal water rights settlement related expenses for FY 2025. (This funding was not appropriated to the IWRS Fund.) (SAP 24-H0002-GF, \$20,000,000.00. Laws of 2024, Chapter 69, Section 5, Subsection 108, “To support and fund Indian water rights settlements, for expenditure in fiscal years 2025 through 2027”.) The OSE has allocated \$14.6 million out of the 2024 special appropriation, leaving \$5.4 million remaining.

FY 2024 OSE SPECIAL APPROPRIATION – \$20,000,000.00			
SAP 24-H0002-GF \$20,000,000. Laws of 2024, Chapter 69, Section 5, Subsection 108, “To support and fund Indian water rights settlements, for expenditure in fiscal years 2025 through 2027.”			
SETTLEMENT & PROJECT	FUNDED AMOUNT	EXPENDED	REMAINING
Taos Pueblo-Abeyta Settlement El Prado WSD (1) – Wells 5 & 6	\$ 2,200,000	\$ 966,116	\$ 1,233,884
Taos Pueblo-Abeyta Settlement El Prado WSD (2) – Upper Ranchitos Well B	\$ 3,100,000	\$ 18,102	\$ 3,081,898
Taos Pueblo-Abeyta Settlement Llano Quemado MDWCA (1) – Well D	\$ 1,600,000	-	\$ 1,600,000
Taos Pueblo-Abeyta Settlement Llano Quemado MDWCA (2) – Well D	\$ 3,200,000	-	\$ 3,200,000
Taos Pueblo-Abeyta Settlement Rio Chiquito – Well E	\$ 3,500,000	-	\$ 3,500,000
Zuni Tribe Settlement State & Zuni Tribe – Groundwater Monitoring Plan	\$ 750,000	\$ 8,202	\$ 741,798
Rio San José Pueblos Settlement RSJ Community Ditches – Hydrologic Assessment	\$ 250,000	-	\$ 250,000
Totals	\$ 14,600,000	\$ 992,420	\$ 13,607,580
SAP24-H0002-GF	\$ 20,000,000	\$ 5,400,000	

In 2025, the NM Legislature appropriated \$25 million to the OSE for Tribal water rights settlements. (This funding was not appropriated to the ISC IWRS Fund.) (SAP 25-H0002-GF \$25,000,000.00. Laws of 2025, Chapter 160, Section 5, Subsection 135, “For project development allocations to the non-pueblo settlement beneficiaries identified in Indian water rights settlement agreements for expenditure in fiscal year 2026. Any unexpended balances remaining at the end of fiscal year 2026 from this appropriation shall not revert and may be expended through fiscal year 2028”.) The OSE has not yet allocated this funding.

However, the OSE is currently drafting contracts with East Rio Arriba and Upper Chama Soil and Water Conservation Districts to fund \$7 million of early funding for the Signatory Acequias of the Ohkay Owingeh Rio Chama Water Rights Settlement Agreement. These funds will be disbursed from both the 2024 and 2025 special appropriations.

The following sections address the funding status of each water right settlement.

II. Funding Status for Tribal Water Rights Settlements

A. Funded Tribal Water Rights Settlements – ISC Indian Water Rights Settlement Fund.

The State has fulfilled its cost share obligations under three Tribal water rights settlements, each funded by the State legislature through the ISC IWRS Fund. Each of these settlements is currently in the implementation phase, and the associated water infrastructure projects are underway. Although all three projects are in need of additional funding, the State has met its obligations under the existing agreements and amendments.

1. Navajo Nation San Juan River Basin Water Rights Settlement. *New Mexico ex rel. State Eng'r v. United States, No. 75-184 (11th Jud. Dist., San Juan County, New Mexico).*

Status of Settlement

On April 19, 2005, Navajo Nation and the State of New Mexico executed a settlement agreement to resolve the claims of Navajo Nation for use of waters in the San Juan River Basin in northwestern New Mexico. This settlement provides water development projects for the benefit of Navajo Nation and non-Tribal communities in the San Juan River Basin. One of the primary elements of the settlement is the Northwestern New Mexico Rural Water Supply Project (more commonly known as the “Navajo-Gallup Water Supply Project” or “Project” herein) that includes a pipeline currently under construction by the Bureau of Reclamation (“Reclamation”) and a water treatment plant currently in operation. This project will provide a long-term, sustainable water supply of 22,650 AFY of drinking water to 43 Navajo Chapters in northwestern New Mexico and municipal and domestic uses to the City of Gallup and the southwestern portion of the Jicarilla Apache Nation.

The completion deadline for the Navajo-Gallup Water Supply Project is being extended to December 31, 2029, through an agreement between the United States, Navajo Nation, and State of New Mexico Interstate Stream Commission.

Implementation

Reclamation has the overall responsibility for the design and construction of the Project, which consists of two separate laterals, the Cutter Lateral and San Juan Lateral. The Cutter Lateral is completed and is operational.

Project Status

Construction of the San Juan Lateral is over 70% complete with work continuing on the San Juan Lateral Water Treatment Plant, one of the primary features of the lateral. Final design work, design data collection, environmental and cultural resources permitting, and right-of-way acquisition continue on those reaches of the Project that are not yet under construction. However, there is a sizeable budget shortfall, in excess of \$600 million in fiscal year 2024 dollars, and this budget shortfall will need to be overcome to ensure successful completion of the San Juan Lateral. New Mexico’s Congressional Representatives are actively seeking passage of additional funding as described below.

Funding for Navajo-Gallup Water Supply Project

Federal Contribution

The original federal legislation (Omnibus Public Land Management Act of 2009) authorized the appropriation of \$870 million to Reclamation to plan, design and construct the Navajo-Gallup Water Supply Project (“NGWSP”). The total estimated cost has now increased to approximately \$2.194 billion based on Reclamation’s Oct 2023 working cost estimate for the Project.

For federal fiscal years 2010 to 2025, Congress appropriated and provided funding for the NGWSP totaling \$1.64 billion. For fiscal year 2025, \$145 million was authorized through a provision in the continuing resolutions by Congress which allowed Reclamation to allocate \$120 million to the NGWSP from the Reclamation Water Settlement Fund (“RWSF”) as well as an additional \$25 million from the FY 2025 Operating Plan within Water & Related Resources to fully fund anticipated FY 2025 capabilities.

In 2025, the *Technical Corrections to the Northwestern New Mexico Rural Water Projects Act, Taos Pueblo Indian Water Rights Settlement Act, and Aamodt Litigation Settlement Act* (S.637/H.R.1482) was passed by the Senate Committee on Indian Affairs but has not yet been heard in the House. This bill will correct an interest miscalculation by the federal government, and Navajo Nation will receive \$6,357,674.46 for this settlement. There is no state contribution for this bill.

State Contribution

On June 27, 2011, the State and the federal government, through the Secretary of the Interior, executed a Cost-Share Agreement for the State’s cost-share obligation. On October 13, 2022, Reclamation approved the State’s final cost-share credit request for Cutter Lateral phases 2 and 3 of the Project. With this approval, the State of New Mexico’s \$50 million cost-share obligation towards the Project has been fully met and formally recognized by the United States.

Supplemental Funding

The Interstate Stream Commission has executed funding agreements with the City of Gallup to disburse to the City \$8 million (part of \$30.3 million of ARPA funds approved for water projects state-wide) approved in 2022 by the New Mexico Legislature to help fund construction of new water wells that will help the City with its water supply pending completion of the San Juan Lateral. The wells have been successfully drilled and tested in accordance with OSE specifications and, as of October 1, 2025, \$343,415.75 remains from the \$8 million special appropriation. The City of Gallup will use the remaining funds, additional funding from the NM Water Trust Board in the amount of \$1,437,892, as well as \$3,515,108 from a grant from the U.S. Department of Commerce - Economic Development Administration to complete the new water wells project. The project is slated for completion by the end of October 2026.

2. ***Aamodt Settlement of Pojoaque River Basin Water Rights for the Pueblos of Nambé, Tesuque, Pojoaque, and San Ildefonso. New Mexico ex rel. State Eng'r v. Aamodt, 6:66-cv-6639 WJ/WPL (D.N.M.)***

Status of Settlement

On May 3, 2006, the State of New Mexico; the Pueblos of Nambé, Tesuque, Pojoaque, and San Ildefonso; the County of Santa Fe; and the City of Santa Fe executed a Settlement Agreement to resolve the claims of the four Pueblos to the use of waters in the Nambé-Pojoaque-Tesuque stream system (“NPT”), a tributary of the Rio Grande in north central New Mexico, in *State of New Mexico ex rel. State Engineer v. Aamodt, et al.*, U.S.D.C. No. 66cv06639 WJ/WPL.

Construction of the system is on-going and is being funded by the United States, the State, Santa Fe County, and the Pueblos. The Pojoaque Basin Regional Water Utility Authority will operate the system. The portion of the system that will serve non-Pueblo residents in the basin and outside of the external boundaries of the Pueblos will be paid for by the State and the County.

Phase 1 of the Pojoaque Basin Regional Water System is currently under way. The construction plan has been modified to address the increased costs, but the settlement parties are actively involved in creating a pivot option to keep the construction moving while the funding gap is addressed.

Funding for Pojoaque Basin Regional Water System

Federal Contribution and Project Costs

The 2010 *Aamodt* Litigation Settlement Act (P.L. 111-291) calls for the United States to build the regional water system, except for individual non-Pueblo service connection lines. The portion of the system that will serve the Pueblos will be paid for entirely by the United States, and it will deliver about 2,500 AFY.

Under the most recent agreement, the 611(g) Agreement, the combined funding for the project is \$406.3 million and is to be provided as follows:

- \$276.8 million by the United States,
- \$104.5 million by the State, and
- \$38.4 million by Santa Fe County.

The non-federal funding is to pay for the non-Pueblo portion of the proposed regional water system. The \$406.3 million construction cost does not include the water rights acquisition (County responsibility), service connections costs (State and County), or mitigation costs required by the settlement (State).

In 2025, the *Technical Corrections to the Northwestern New Mexico Rural Water Projects Act, Taos Pueblo Indian Water Rights Settlement Act, and Aamodt Litigation Settlement Act* (S. 640/H.R.4598) was passed by the Senate Committee on Indian Affairs but has not yet been heard in the House. This bill will correct an interest miscalculation by the federal government, and the Pueblos of Nambé, Pojoaque, Tesuque, and San Ildefonso will receive \$4,314,709.18 for this settlement. There is no State contribution for this bill.

Status of State Contribution

As of September 30, 2024, the State has made a total contribution of \$86.2 million toward its share of costs for the regional water system under the Cost-Sharing Agreement. The Legislature has appropriated all of the remaining funding needed to meet the State cost-share. The remaining balance for Aamodt is \$12,889,024, which will be paid out in index installments in 2026 (\$7 million), 2027 (\$1 million) and \$4.5 million for the Santa Fe County connection fund (see Table 1). The remaining state obligation is \$0.00.

3. **Taos Pueblo Water Rights Settlement Agreement. *State of New Mexico ex rel. State Engineer v. Abeyta, et al.*, U.S.D.C. No. 69cv07896 MV and 69cv7939 MV, Consolidated.**

Status of Settlement

On May 30, 2006, the Pueblo, the State of New Mexico, and Taos-area water-right-owning parties executed a settlement agreement to resolve the claims of Taos Pueblo in the Rio Pueblo de Taos and Rio Hondo stream systems. The Taos Pueblo Water Rights Settlement Agreement was developed through multi-party negotiations initiated in 1989 between the Taos Pueblo, the State, the Taos Valley Acequia Association (and its 55-member acequias), the Town of Taos, El Prado Water and Sanitation District (EPWSD), and the 12 Taos area mutual domestic water consumer associations. The Taos Pueblo Settlement Agreement settles Taos Pueblo’s water rights claims and expedites the final adjudication of non-Pueblo claims to water rights in the ongoing Taos area water rights adjudication suit, *State of New Mexico ex rel. State Engineer v. Abeyta, et al.*, U.S.D.C. No. 69cv07896 MV and 69cv7939 MV, Consolidated.

Funding for Mutual Benefits Projects

Pursuant to the terms of the Taos Pueblo Water Rights Settlement Act, the total cost of the Settlement is \$144 million. Of that amount, \$88 million of federal funds has been allocated to the Pueblo Water Development Fund, \$48 million (\$36 million federal, \$12 million State) to fund the Mutual Benefit Projects, \$1.15 million has been deposited by the State into a sinking fund for operations, maintenance and replacement for the Mutual Benefits Projects, and \$6.9 million has been contributed by the State to the non-Pueblo settlement parties for acquisition of water rights. (Public Law 111-291, Title V of the Claims Resolution Act of 2010).

2010 TAOS PUEBLO WATER RIGHTS SETTLEMENT ACT FUNDING - \$144,000,000		
Source of Funding	Project/Purpose	Amount
Federal – Taos Pueblo	Infrastructure and Watershed	\$ 88,000,000
Federal – Taos Pueblo	Mutual-Benefit Projects	\$ 36,000,000
State (ISC IWRS Fund)	Mutual-Benefit Projects	\$ 12, 000,000
State (ISC IWRS Fund)	OM&R (Sinking Fund)	\$ 1,150,000
State (ISC IWRS Fund)	Water Rights Acquisition	\$6,900,000
Total		\$ 144,050,000

**FY24SAP – Fiscal Year 2024 Special Appropriation to OSE (SAP 24-H0002-GF, \$20,000,000.00. Laws of 2024, Chapter 69, Section 5, Subsection 108, “To support and fund Indian water rights settlements, for expenditure in fiscal years 2025 through 2027.)

Federal Contribution

Since 2012, the federal government has appropriated its contribution of \$124 million under the Settlement Act.

In 2025, the *Technical Corrections to the Northwestern New Mexico Rural Water Projects Act, Taos Pueblo Indian Water Rights Settlement Act, and Aamodt Litigation Settlement Act* (S. 640/H.R.4598) was passed by the Senate Committee on Indian Affairs but has not yet been heard in the House. This bill will correct an interest miscalculation by the federal government, and Taos Pueblo will receive \$7,794,297.52 for this settlement. There is no State contribution for this bill.

State Contribution

The State contributed a total of \$20.05 million (not subject to indexing for inflation) and allocated the funding as follows:

- \$12 million of the non-Pueblo portion of planning, design, and construction of the Mutual Benefits Projects;
- \$6.9 million for the acquisition of water rights by the non-Pueblo parties; and
- \$1.15 million for the operation, maintenance, and replacement for the Mutual Benefits Projects.

Status of State’s Contribution

On February 29, 2012, the ISC, for the State, allocated \$5 million to the Taos Pueblo Settlement from the Indian Water Rights Settlement Fund. This was in addition to the Commission’s allocation in 2011 of \$1.4 million for the Taos Pueblo Settlement and \$915,000 in earlier direct appropriations to some of the Settlement parties. The ISC also has funds available to the non-Pueblo settlement parties in the Indian Water Rights Settlement Fund for water rights acquisition (up to \$6.9 million, pursuant the terms of the Settlement).

In its 2015 special session, the New Mexico Legislature appropriated \$12.7 million to the Fund, which the ISC allocated in July 2015 to the Taos Settlement. This appropriation, combined with \$35,000 allocated to the Settlement from the Commission’s operating budget, completed the State’s funding obligations under the Taos Settlement.

Supplemental Funding

The settlement parties, working closely with the federal implementation team and the Department of Interior Secretary’s Indian Water Rights Office, are currently seeking introduction of federal legislation to amend the Claims Resolution Act of 2010 (Public Law 111-291, Title V of the Claims Resolution Act of 2010) to authorize an additional \$293 million of federal funding. Of that amount, \$129 million would fund 75 percent of the supplemental costs needed to complete the Mutual-Benefit Projects, with the State contributing an additional \$43 million as its 25 percent share.

2025 Taos Pueblo-Abeyta Supplemental Funding			
Source of Funding	Funding Amount	Awarded	Remaining
Federal GW Development Contribution	\$ 152,000,000	-	\$ 152,000,000
Federal SW Sharing Contribution	\$ 12,000,000	-	\$ 12,000,000
Federal MB Project Contribution (75%)	\$ 129,000,00	-	\$ 129,000,000
State MB Project Contribution (25%)**	\$ 43,076,803	\$ 23,675,000	\$ 19,401,803
Total	\$ 336,076,000	\$ 23,675,000	\$ 312,401,803

**FY24SAP – Fiscal Year 2024 Special Appropriation to OSE (SAP 24-H0002-GF, \$20,000,000.00. Laws of 2024, Chapter 69, Section 5, Subsection 108, “To support and fund Indian water rights settlements, for expenditure in fiscal years 2025 through 2027.)

In Fiscal Year 2024, the OSE received a Special Appropriation for \$20 million from the NM State Legislature to support and fund Indian water rights settlements. (SAP 24-H0002-GF, \$20,000,000.00. Laws of 2024, Chapter 69, Section 5, Subsection 108, “To support and fund Indian water rights settlements, for expenditure in fiscal years 2025 through 2027.)

In 2025, the OSE entered into funding agreements with El Prado Water & Sanitation District, Llano Quemado Mutual Domestic Consumer Association, and the Acequia Madre & Acequia del Monte de Rio Chiquito for a total of \$13.6 million to support mutual-benefit projects contemplated under

the settlement. This will count towards the State cost-share of supplemental funding requested in the amendment, as will approximately \$10 million of supplemental funding appropriated through capital outlay in FY 2024.

B. PENDING TRIBAL WATER RIGHTS SETTLEMENTS – UNFUNDED

This section presents the funding obligations under the five settlements that have not yet been passed by Congress. The State of New Mexico has agreed to provide some early funding while the legislation is making its way through the federal process. The total amount of state funding obligated under the pending settlements, including the Taos Pueblo-*Abeyta* supplemental funding, is \$234,385,803, and the federal obligation is over \$3 billion for the Pueblos, Tribes, and Nations to fund water projects and implementation costs.

Tribal Water Rights Settlements Federal Legislation – State & Federal Funding Breakdown

Settlement Agreement	Total Funding (State & Fed)	Federal Funding	State Funding	Early State Funding	Status of Congressional Approval
The Pueblos of Jemez and Zia Rio Jemez Water Rights Settlement	\$510,059,000	\$490,000,000 - Jemez \$290 mil - Zia \$200 mil	\$20,059,000 - San Ysidro Community Ditch Association \$3.4 mil - 11 Acequias \$16,159,000 - Impairment Fund \$500k		S. 562 – 2025/03/05 Passed Committee on Indian Affairs. Ordered to be reported without amendment favorably; H.R. 1322 – 2025/02/13 Referred to the House Committee on Natural Resources
The Pueblos of Acoma Laguna Rio San Jose Stream System Water Rights Settlement	\$886,000,000	\$850,000,000 - Acoma \$311,750,000 - Laguna \$493,250,000 - Acomita Fund \$45 mil	\$36,000,000 - City of Grants \$12.5 mil - Village of Milan \$11 mil - RSJ Acequia Assoc \$12 mil - Impairment Fund \$500k	\$250,000 - Acequias (Awarded)	S. 562 – 2025/03/05 Passed Committee on Indian Affairs. Ordered to be reported without amendment favorably; H.R. 1322 – 2025/02/13 Referred to the House Committee on Natural Resources
Navajo Nation Rio San Jose Water Rights Settlement Agreement	\$226,271,000	\$223,271,000	\$3,000,000 - RSJ Acequias (Bluewater Toltec Irrigation District & Acequia Madre del Ojo del Gallo)		S. 565 – 2025/03/05 Passed Committee on Indian Affairs. Ordered to be reported without amendment favorably; H.R. 1324 – 2025/02/13 Referred to the House Committee on Natural Resources
Settlement Agreement to Quantify Water Rights of the Zuni Indian Tribe, Protect Zuni Salt Lake	\$686,250,000	\$685,000,000	\$1,250,000 - Monitoring Critical Protection Areas & Zuni Salt Lake \$750k - Impairment Fund \$500k	\$750,000 - Monitoring (Awarded)	S. 564 – 2025/03/05 Passed Committee on Indian Affairs. Ordered to be reported without amendment favorably; H.R. 1444 – 2025/02/18 Referred to the House Committee on Natural Resources
Ohkay Owingeh Rio Chama Water Rights Settlement	\$876,000,000	\$745,000,000 - WR Claims - Bosque Takings vs. U.S.	\$131,000,000 - Acequias \$98.5 mil - City of Espanola \$32 mil - Impairment Fund \$500k	\$7,000,000 - Rio Chama Acequias (Pending)	S. 563 – 2025/03/05 Passed Committee on Indian Affairs. Ordered to be reported without amendment favorably; H.R. 1323 – 2025/02/13 Referred to the House Committee on Natural Resources
Taos Pueblo Indian Water Rights Settlement Amendments Act (Pending Introduction)	\$319,323,211	\$281,230,408 -\$129,230,408 (75% Mutual Benefit Projects) -\$152 mil GW Project	\$43,076,803 - 25% Mutual Benefit Projects		-Senate Counsel has provided a legislative draft of the bill; -State is currently funding this amount with 2024 OSE Special Appropriation.
TOTAL	\$3,509,903,211* [\$3,184,580,000**]	\$3,274,501* [2,993,271,000**]	\$234,385,803* [\$191,309,000**]	\$8,000,000	*Includes Taos/ <i>Abeyta</i> Amendment for Supplemental Funding **Includes only bills introduced in 2025
Navajo-Gallup Project Amendments Act (Navajo & Jicarilla Apache)	\$1,582,000,000 (No State Contribution) -\$1.312 billion – NGWSP -\$32 million – NN OM&R -\$10 million – Jicarilla OM&R				S. 637 – 2025/03/05 Passed Committee on Indian Affairs. Ordered to be reported without amendment favorably; H.R. 1482 – 02/21/2025 Referred to the House Committee on Natural Resources
Technical Corrections to Amend the Claims Resolution Act of 2010 (Nambé, Pojoaque, Tesuque, San Ildefonso; Taos; Navajo)	\$18,466,681.16 (No State Contribution) -Navajo Nation -\$6,357,674.46 -Taos Pueblo -\$7,794,297.52 -Pojoaque River Basin Pueblos -\$4,314,709.18				S. 640 – 2025/03/05 Passed Committee on Indian Affairs. Ordered to be reported without amendment favorably; H.R. 4598 – 2025/7/22 Introduced House Committee on Natural Resources, referred to the Subcommittee on Water, Wildlife, & Fisheries for hearing. No date set.

(OSE BPTN Updated 2025-11-04)

2025 STATE FUNDING – PENDING TRIBAL WATER SETTLEMENT AGREEMENTS			
	Combined	Federal	State
Total	\$3,508,903,211	\$ 3,274,501,000	\$ 234,385,803
Settlement Agreement			
The Pueblo of Jemez and Zia, Rio Jemez WRSA	\$ 510,059,000	\$ 490,000,000	\$ 20,059,000
The Pueblos of Acoma and Laguna, RSJ Stream System WRSA	\$ 886,000,000	\$ 850,000,000	\$ 36,000,000
Navajo Nation RSJ WRSA	\$ 226,271,000	\$ 223,271,000	\$ 3,000,000
Settlement Agreement to Quantify Water Rights of Zuni Tribe and Zuni Salt Lake Protections	\$ 686,250,000	\$ 685,000,000	\$ 1,250,000
Ohkay Owingeh Rio Chama WRSA	\$ 876,000,000	\$ 745,000,000	\$ 131,000,000
Taos Pueblo Supplemental Amendment (Pending)	\$ 319,323,211	\$ 281,230,408	\$ 43,076,803

1. Zuni Tribe Water Rights Settlement Agreement – Zuni River Basin Adjudication

Status of Settlement Agreement & Federal Legislation

On May 1, 2023, the Zuni Indian Tribe and the State signed a settlement agreement resolving the claims of the Zuni Tribe in the Zuni River Stream System adjudication. *U.S. v. A&R Production, et al.*, Case No. 6:01-00072-DHYU-JHR, Subproceeding 1—Zuni Indian Claims, Case No. 6:07-cv-00681-DHU-JHR (D.N.M.).

In 2023, the State Engineer established a Critical Protection Area within the Zuni River stream system and Gallup Underground Water Basin and issued an order for closure of the Zuni Salt Lake and Zuni Salt Lake Sanctuary, pursuant to the Settlement Agreement.

In 2025, the Zuni Indian Tribe Water Rights Settlement Act of 2025 (S.564/H.R.1444) was introduced in both the U.S. House and Senate. The Senate Indian Affairs Committee held a hearing and passed S.564 without amendment on March 5, 2025. The House Committee on Natural Resources referred H.R.1444 to the Subcommittee on Water, Wildlife & Fisheries, but the hearing date has not been set yet.

Federal Funding

The Settlement calls for the Zuni Tribe to receive federal funding in the amount of \$685 million, which shall be indexed for inflation starting from January 1, 2022, and allocated as follows:

- \$655,500,000 – Zuni Tribe Water Rights Settlement Trust Account for costs associated with water infrastructure and development; and
- \$29,500,000 – Zuni Tribe Operation, Maintenance, & Replacement Trust Account for expenses over a period of 10 years.

State Funding

The State agreed to provide a total of \$1.5 million to be allocated as follows:

- \$750,000 to develop monitoring programs to further assess impacts on spring and stream flows from groundwater development within the Critical Protection Area and to assess impacts to Zuni Salt Lake & Sanctuary areas.
 - The State has funded \$750,000 to implement the monitoring program.

- \$500,000 to mitigate impairment to non-Tribal groundwater rights for domestic and livestock use as a result of new water use by Zuni Tribe.
 - Mitigation/Impairment Fund to be established and appropriated to an interest-bearing account.
- 2 FTE – funding for two full-time employee positions in the OSE for implementation.

Zuni Tribe Water Rights Settlement – State Funding \$ 1,250,000				
State Funding	Amount	Source	Expended	Remaining Amount
Monitoring Plan – Zuni River Basin	\$ 750,000	*FY24SAP	\$ 8,202	\$ 741,798
IWRSF Mitigation/Impairment Fund	\$ 500,000	-	-	
OSE FTE (2)	-	-	-	
Total	\$ 1,250,000		\$ 8,202	\$ 1,241,789

*FY24SAP – Fiscal Year 2024 Special Appropriation to OSE (SAP 24-H0002-GF, \$20,000,000.00. Laws of 2024, Chapter 69, Section 5, Subsection 108, “To support and fund Indian water rights settlements, for expenditure in fiscal years 2025 through 2027.)

2. Pueblos of Acoma and Laguna & Navajo Nation Rio San José Water Rights Settlement Agreement – Rio San José Stream System Adjudication

Status of Settlement Agreement & Federal Legislation

In June of 2022, the Pueblo of Acoma, the Pueblo of Laguna, the State of New Mexico, the City of Grants, the Village of Milan, the Association of Community Ditches of the Rio San José, and nine individual acequias and community ditches signed a settlement agreement resolving the water rights claims of the Pueblos of Acoma and Laguna in the ongoing Rio San José Stream System. In July of 2024, the same parties entered into an agreement with Navajo Nation to resolve its water rights claims in the Rio San José Stream System adjudication. *State of New Mexico ex rel. State Engineer v. Kerr-McGee, et al.*, Nos. D-1333-CV-1983-00190 and D-1333-CV-1983-002200, (consolidated) (13th Jud. Dist. Ct.).

In 2025, federal legislation was introduced in the U.S. House and Senate for both settlements, S.562/H.R.1322 for the Pueblos and S.565/H.R.1324 for Navajo Nation. The Senate Indian Affairs Committee held a hearing and passed both bills without amendment on March 5, 2025. The House Committee on Natural Resources referred the bills to the Subcommittee on Water, Wildlife & Fisheries, but the hearing date has not been set yet.

Pueblos of Acoma & Laguna and Navajo Nation Rio San José Water Rights Settlement State Funding \$ 39,000,000 Total (Both RSJ Agreements)				
Parties	Amount	Early Funding	Source	Expended
City of Grants (10% Local Match)	\$ 12,500,000	-		-
Village of Milan (10% Local Match)	\$ 11,000,000	-		-
Rio San José Acequia Association*	\$ 12,000,000	\$ 250,000	*FY24SAP	-
BTID & Acequia del Ojo**	\$ 3,000,000	-		-
ISC (IWRSF) – Mitigation/Impairment Fund (Interest bearing account)	\$ 500,000	-		-
OSE – FTE (2)	-	-		-
Total (Indexed 7/1/2023 for 5 yrs after enforcement)	\$ 39,000,000			

*FY24SAP – Fiscal Year 2024 Special Appropriation to OSE (SAP 24-H0002-GF, \$20,000,000.00. Laws of 2024, Chapter 69, Section 5, Subsection 108, “To support and fund Indian water rights settlements, for expenditure in fiscal years 2025 through 2027.)

**Under Navajo Nation Rio San Jose Settlement Agreement

Federal Funding

Senate Bill 562 and H.R. 1322 call for the Pueblos to receive federal funding in the total amount of \$850 million, which shall be indexed for inflation starting from October 1, 2021, and allocated as follows:

- \$311,750,000 – Pueblo of Acoma for groundwater supply projects and costs associated with water infrastructure and development;
- \$493,250,000 – Pueblo of Laguna for groundwater supply projects and costs associated with water infrastructure and development; and
- \$45,000,000 – Acomita Reservoir Joint Fund for projects and expenses for Acomita reservoir, its dam and the North Acomita Ditch from the Acomita Reservoir outlet on both Pueblos.

Senate Bill 565 and H.R. 1324 call for Navajo Nation to receive federal funding in the total amount of \$223,271,000, which shall be indexed for inflation starting from October 1, 2021, and allocated as follows:

- \$200,271,000 – Navajo Nation Water Rights Settlement Account for costs associated with water infrastructure and development; and
- \$23,000,000 – Navajo Nation Operations and Maintenance Account.

State Funding

The State agreed to provide a total of \$39 million for both Rio San José settlement agreements to be allocated as follows:

- \$12,000,000 – Signatory Acequias of the Association of Community Ditches of the Rio San José indexed from July 1, 2023, to no more than five years after the Enforcement Date (Pueblos Settlement Agreement)
- \$250,000 to Signatory Acequias for early funding from the 2024 OSE Special Appropriation to conduct a hydrologic assessment of the acequia system
- \$3,000,000 to the Bluewater Toltec Irrigation District and Acequia Madre del Ojo del Gallo for costs associated with water infrastructure and development (Navajo Nation Settlement Agreement)
- \$12,500,000 – City of Grants projects require a 10% local match to be distributed for:
 - \$8.5 million – Joint Project (Grant and Milan) Water Re-use, Conservation & Augmentation
 - \$4 million - Drinking Water System
- \$11,000,000 – Village of Milan projects require a 10% local match to be distributed for:
 - \$7.5 million – Joint Project Water Re-use, Conservation & Augmentation
 - \$3.5 million - Drinking Water System
- \$500,000 to mitigate impairment to non-Tribal groundwater rights for domestic and livestock use as a result of new water use by the Pueblos and Navajo Nation
 - Mitigation/Impairment Fund to be established and appropriated to an interest-bearing account
- 2 FTE – funding for two full-time employee positions in the OSE for implementation

3. Pueblos of Jemez and Zia Rio Jemez Water Rights Settlement – Rio Jemez River Stream System Adjudication

Status of Settlement Agreement & Federal Legislation

On June 7, 2022, the Pueblos of Jemez, the Pueblo of Zia, the State, the Jemez River Basin Water Users Coalition, and the City of Rio Rancho signed a settlement agreement resolving the water rights claims of the Jemez and Zia Pueblos on the Rio Jemez stream system. *United States of America, et al. v. Abousleman, et al. Civil No. 83-cv-01041* (KWR-JHR (D.N.M.)).

In 2025, the Rio San José and Rio Jemez Water Settlements Act of 2025 was introduced in the U.S. House and Senate (S.562/H.R.1322). The Senate Indian Affairs Committee held a hearing and passed S.562 without amendment on March 5, 2025. The House Committee on Natural Resources referred the bills to the Subcommittee on Water, Wildlife & Fisheries, but the hearing date has not been set yet.

Federal Funding

Senate Bill 562 and H.R. 1322 call for the Pueblos to receive federal funding in the total amount of \$490 million , which shall be indexed for inflation starting from October 1, 2021, and allocated as follows:

- \$290,000,000 – Pueblo of Jemez for costs associated with a water supply augmentation project, and other water infrastructure and watershed protection costs; and
- \$200,000,000 – Pueblo of Zia for costs associated with a water supply augmentation project, and other water infrastructure and watershed protection costs.

State Funding

The State agreed to provide a total of \$20,059,000, which will be indexed for inflation from July 1, 2023, to be administered through the ISC IWRS Fund and distributed as follows:

- \$3,400,000 – San Ysidro Community Ditch Association for capital and operating expenses of the mutual benefit Augmentation Project
- \$16,159,000 – Jemez River Basin Water Users Coalition acequia ditch improvements.
- \$500,000 to mitigate impairment to non-Tribal groundwater rights for domestic and livestock use as a result of new water use by the Pueblos
 - Mitigation/Impairment Fund to be established and appropriated to an interest-bearing account
- 2 FTE – funding for two full time employee positions in the OSE for implementation

Rio Jemez – Pueblos of Jemez and Zia Water Rights Settlement State Funding \$20,059,000	
State Funding	Amount
San Ysidro Community Ditch Association	\$ 3,400,000
Jemez River Basin Water Users Coalition	\$16,159,000
Mitigation/Impairment Fund	\$ 500,000
FTE (2)	-
Total	\$ 20,059,000

4. Ohkay Owingeh Rio Chama Water Rights Settlement Agreement – Rio Chama Stream System Adjudication

Status of Settlement Agreement & Federal Legislation

On July 31, 2023, the State and Ohkay Owingeh signed a settlement agreement that would settle the water rights claims of Ohkay Owingeh on the Rio Chama within the Rio Chama Stream System adjudication. The settling parties include Ohkay Owingeh, the State, the United States, City of Española (“Española”), and over 80 acequias from the the Asociación de Acéquias Norteñas de Rio Arriba (“Acéquias Norteñas”), Rio de Chama Acéquia Association (“RCAA”), La Asociación de las Acéquias del Rio Vallecitos, Tusas y Ojo Caliente, and El Rito Ditch Association. *New Mexico v. Aragon*, Case No. 69-cv-07941-KWR/KK (U.S. D. Ct. N.M.).

In 2025, the Ohkay Owingeh Rio Chama Water Rights Act of 2025 was introduced in the U.S. House and Senate (S.563/H.R.1323). In addition to the settlement of Ohkay Owingeh’s water rights claims, this agreement settles the claims brought against the United States for the taking of the bosque property within the Pueblo Grant on the Rio Chama and Rio Grande as asserted in *Ohkay Owingeh v. United States*, No. 22–1607L (Court of Federal Claims). The Senate Indian Affairs Committee held a hearing and passed S.563 without amendment on March 5, 2025. The House Committee on Natural Resources referred the bills to the Subcommittee on Water, Wildlife & Fisheries, but the hearing date has not been set yet.

Federal Funding

Senate Bill 563 and H.R. 1323 call for Ohkay Owingeh to receive federal funding in the amount of \$745 million, which shall be indexed for inflation starting from June 1, 2023.

State Funding

Ohkay Owingeh Rio Chama Water Rights Settlement Agreement State Funding \$131,000,000			
State Funding	FA Amount	Early Funding	Remaining
Signatory Acequias	\$ 98,500,000	\$7,000,000	\$91,500,000
City of Espanola	\$32,000,000	-	\$32,000,000
IWRSF Mitigation/Impairment Fund	\$500,000	-	\$500,000
OSE FTE (2)	-	-	
Total	\$131,000,000	\$ 7,000,000	\$ 124,000,000

The State agreed to provide a total of \$131 million to be indexed for inflation from July 1, 2023, to be administered through the ISC IWRS Fund and distributed as follows:

- \$98,500,000 – Signatory Acequias ditch improvements, projects, and other purposes described in the Agreement
 - \$7,000,000 to Signatory Acequias for early funding from the 2024 OSE Special Appropriation to conduct a hydrologic assessment of the acequia system

- \$32,000,000, as adjusted for inflation pursuant to the Agreement, for the City of Española for water system improvement projects
- \$500,000 to mitigate impairment to non-Tribal groundwater rights for domestic and livestock use as a result of new water use by the Pueblos
- Mitigation/Impairment Fund to be established and appropriated to an interest-bearing account2 FTE – funding for two full-time employee positions in the OSE for implementation

**Early State Funding – Aragon
Rio Chama Signatory Acequias \$7,000,000
OSE 2024/2025 Special Appropriation**

Parties	Amount
Rio Chama Acequia Association	\$400,000
RCAA Senior Acéquias	\$1,000,000
RCAA Junior Acéquias	\$1,400,000
Acéquias Norteñas	\$1,400,000
Rio Vallecitos, Tusas y Ojo Caliente	\$1,400,000
El Rito Ditch Association	\$1,400,000
Total	\$7,000,000

C. TRIBAL WATER RIGHTS CLAIMS UNDER NEGOTIATION

1. Pueblo of Santa Clara and Ohkay Owingeh – Rio Santa Cruz/Truchas

New Mexico v. Abbott, Case No. 68-7488 KWR/JHR (Santa Cruz) and Case No. 70-8650 KWR/JHR (Truchas) (N.M. D.Ct., N.M.)

Ohkay Owingeh and the Pueblo of Santa Clara have outstanding water rights claims on the Santa Cruz/Truchas stream system. The State, the Pueblos, Santa Cruz Irrigation District, Española, and other interested parties are currently engaged in negotiations regarding those water rights.

2. Ute Mountain Ute Tribe – San Juan River Basin

Jicarilla Apache Tribe and Navajo Nation, Case No. D-1116-CV-75-184 (11th Judicial District, San Juan County)

OSE and ISC staff are engaged in negotiations with representatives from the Ute Mountain Ute Tribe. A federal negotiation team was appointed in 2024. Parties involved include the Ute Mountain Ute Tribe, State of New Mexico, United States, Upper La Plata Conservancy District, San Juan Water Commission, and Navajo Nation.

3. Navajo Nation – Zuni River Basin

U.S. and Navajo Nation v. N.M., Case No. 12-cv-1298 MV/JHR, Subproceeding 2 (U.S.D.Ct., N.M.)

The State of New Mexico is engaged in settlement negotiations with the Navajo Nation and the United States. The Navajo Nation was involved in, but not party to, the *Settlement Agreement to Quantify and Protect the Water Rights of the Zuni Indian Tribe in the Zuni River Basin and to Protect the Zuni Salt Lake*. All parties, including Zuni Tribe, are engaged in an ongoing technical study of the Zuni River Basin in furtherance of settling Navajo Nation’s water rights claims in the Zuni River Basin adjudication. *U.S. v. N.M. v. A & R Productions*, Case No. 01-cv-00072- DHU/JHR (U.S.D.Ct., N.M.).

4. Six Middle Rio Grande Pueblos – Middle Rio Grande Basin

OSE and ISC staff are engaged in discussions with the Six Middle Rio Grande Pueblos (Pueblos of Cochiti, Sandia, Isleta, Santo Domingo/Kewa, San Felipe and Santa Ana) as well as fund representatives from various federal agencies, regarding the upcoming adjudication of the Pueblos’ Middle Rio Grande water rights. A federal negotiation team has been appointed to assist in this process.

III. Funding Recommendations

The OSE and ISC, for the third consecutive year, are recommending a substantial appropriation of funds for Tribal settlements. This serves three purposes. First, it will demonstrate the State's level of commitment as Congress considers authorizing new settlements. Second, a significant appropriation this year will send a strong signal to the settlement parties that the State is serious about implementing the new settlements, which will also allow them to advocate effectively in Congress to spur necessary federal authorization. And third, it will help ensure that New Mexico can fund its obligations on the timetables set forth in the settlements.

The OSE/ISC Infrastructure Capital Improvement Plan for Fiscal Years 2027-2031 notes that, after the special appropriations from the past two years totaling \$45 million, the as-yet-unfunded portion of the State obligations for the pending settlements is \$189.6 million. The OSE/ISC recommend, subject to the development of the overall executive budget, that the Legislature appropriate approximately \$38 million in capital funding into the Indian Water Rights Settlement Fund, in order to protect those funds from reversion. In addition, OSE/ISC recommend, subject to the development of the overall executive budget, a \$35 million special appropriation to support tribal settlements.