



**OSE/ISC FY2022 BUDGET  
PRESENTATION TO THE  
LEGISLATIVE FINANCE COMMITTEE**

**JOHN R. D'ANTONIO JR., P.E.**

**ROLF SCHMIDT-PETERSEN**

**DECEMBER 8, 2020**

# AGENDA OVERVIEW

- **A New Way of Governance**
- **Providing Essential Services During A Pandemic & Severe Drought**
- **Drought Outlook and Statewide Water Administration**
- **State Budget Process**
  - Agency Trust Funds Insolvency

- **Tx v NM Updates**
- **Indian Water Right Settlements**
- **OSE/ISC 50-Year State Water Plan**
- **Lower Rio Grande Water Conservation Pilot Program**
- **Pecos River**
- **Colorado River Basin**
- **Arizona Water Settlements Act**

# **A NEW WAY OF GOVERNANCE**

- **Entrepreneurial – be innovative by using technology and data analytics to solve complex problems**
- **Establish new performance standards (internal measures that aren't necessarily reported out)**
- **Establish meaningful metrics within agency programs**
- **Practice openness and transparency in administering policy**
- **Triage priorities and evaluate risk**
- **Establish project management plans with identified milestones and deliverables**

# **PROVIDING ESSENTIAL SERVICES DURING A PANDEMIC & SEVERE DROUGHT**

- **Water supply = critical component to public health and safety**
  - Supported by all OSE/ISC programs and staff
- **Severe drought has required direct water administration by OSE water masters in multiple river basins**
  - Rio Grande, Rio Chama, Pecos, Gallinas, Mimbres, San Juan and Jemez
  - Also enforcement actions against illegal diversions and over-diversions
- **OSE's 7 district offices continue to provide essential services**
  - Domestic well permits
  - Other water use permits
  - Well driller licenses
- **ISC operations for Costilla Creek, dam tenders, and Los Lunas Silvery Minnow Refugium**

# **RESOURCE CONSTRAINTS ON OTHER CRITICAL INITIATIVES**

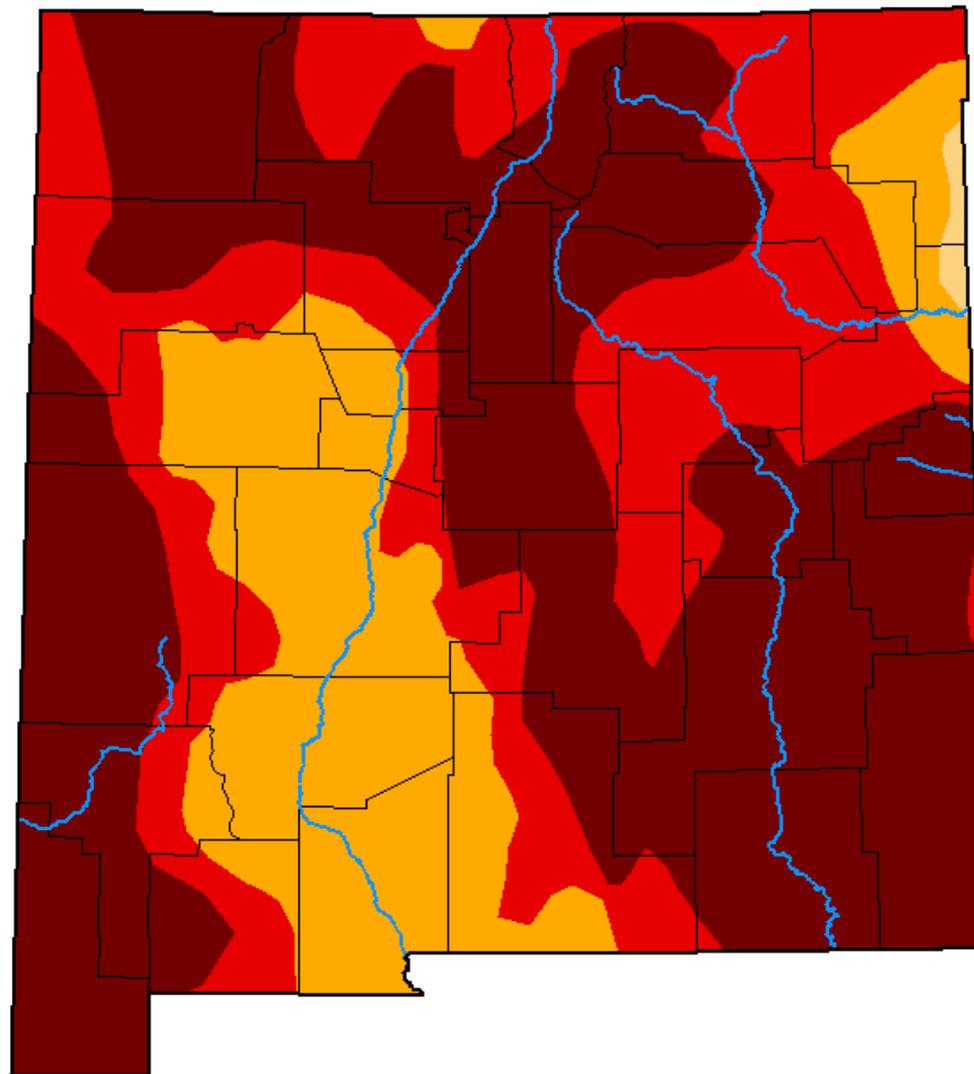
- **Agency Vacancy Rate > 23% from prior administration**
  - Pandemic budget impact -> GF reduction for FY21 and in FY22 request
  - Restrictions on filling vacancies
- **Interstate litigation – TX v NM Rio Grande & Pecos**
- **50-Year State Water Plan development**
- **Arizona Water Settlements Act Gila/San Francisco diversion project reassessment and refocus**
- **Ongoing efforts to negotiate and implement multiple Indian water right settlements**

# **DROUGHT OUTLOOK AND STATEWIDE WATER ADMINISTRATION**

# U.S. Drought Monitor

## New Mexico

**November 24, 2020**  
 (Released Wednesday, Nov. 25, 2020)  
 Valid 7 a.m. EST



*Drought Conditions (Percent Area)*

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
<b>Current</b>	0.00	100.00	100.00	99.59	79.21	50.95
<b>Last Week</b> <i>11-17-2020</i>	0.00	100.00	100.00	99.59	72.99	31.96
<b>3 Months Ago</b> <i>08-25-2020</i>	0.02	99.98	94.68	62.19	21.91	0.00
<b>Start of Calendar Year</b> <i>12-31-2019</i>	52.86	47.14	28.33	15.26	0.00	0.00
<b>Start of Water Year</b> <i>09-29-2020</i>	0.00	100.00	99.92	73.65	39.88	2.90
<b>One Year Ago</b> <i>11-26-2019</i>	27.02	72.98	45.07	17.57	0.00	0.00

*Intensity:*



*The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>*

*Author:*

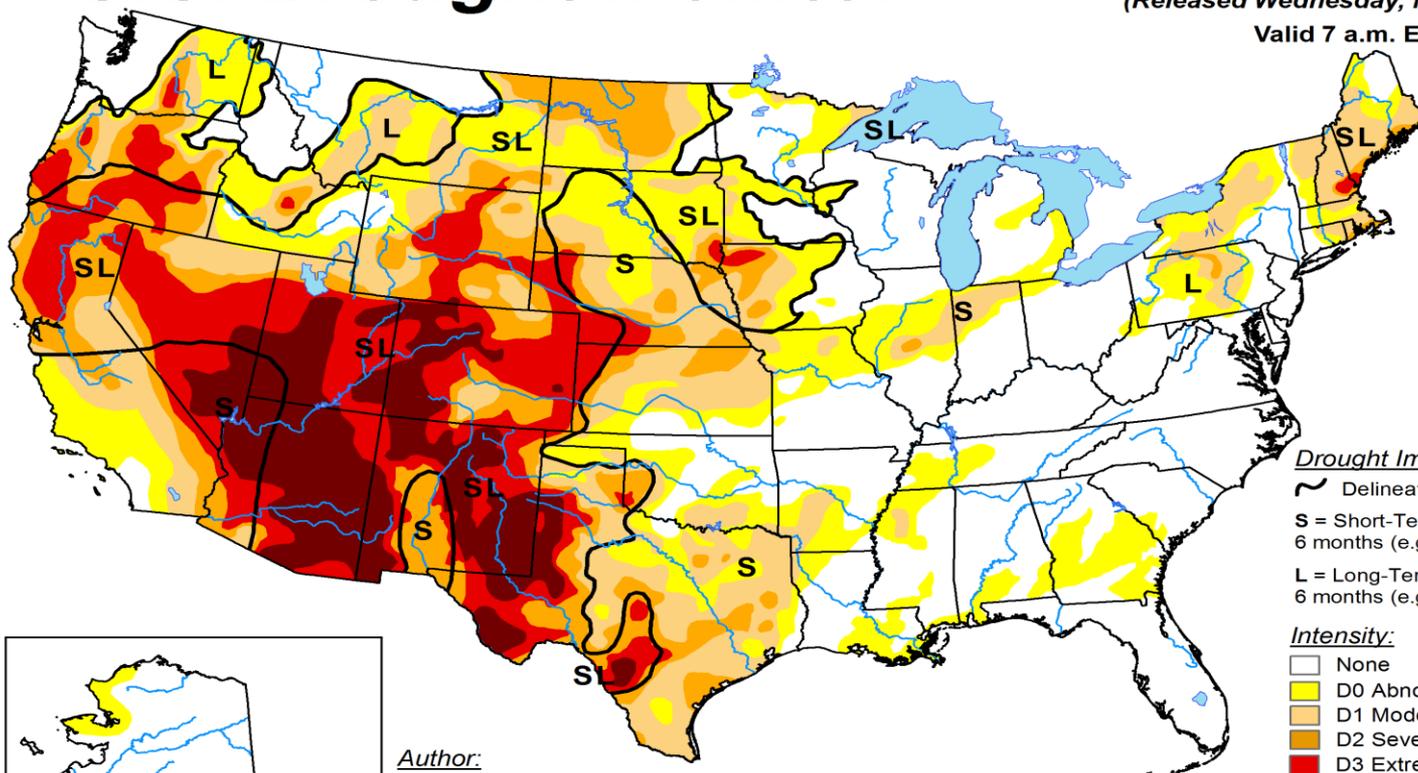
Richard Heim  
 NCEI/NOAA



# CURRENT DROUGHT MONITOR

## U.S. Drought Monitor

November 24, 2020  
 (Released Wednesday, Nov. 25, 2020)  
 Valid 7 a.m. EST

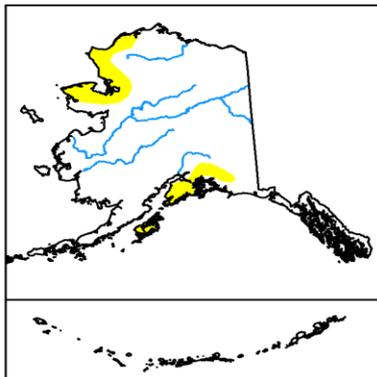


**Drought Impact Types:**

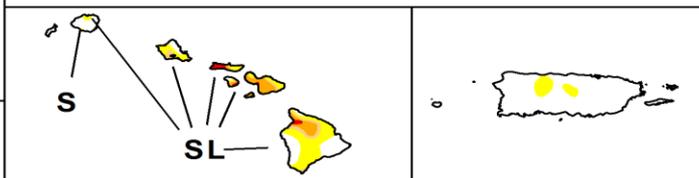
- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

**Intensity:**

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought



**Author:**  
 Richard Heim  
 NCEI/NOAA

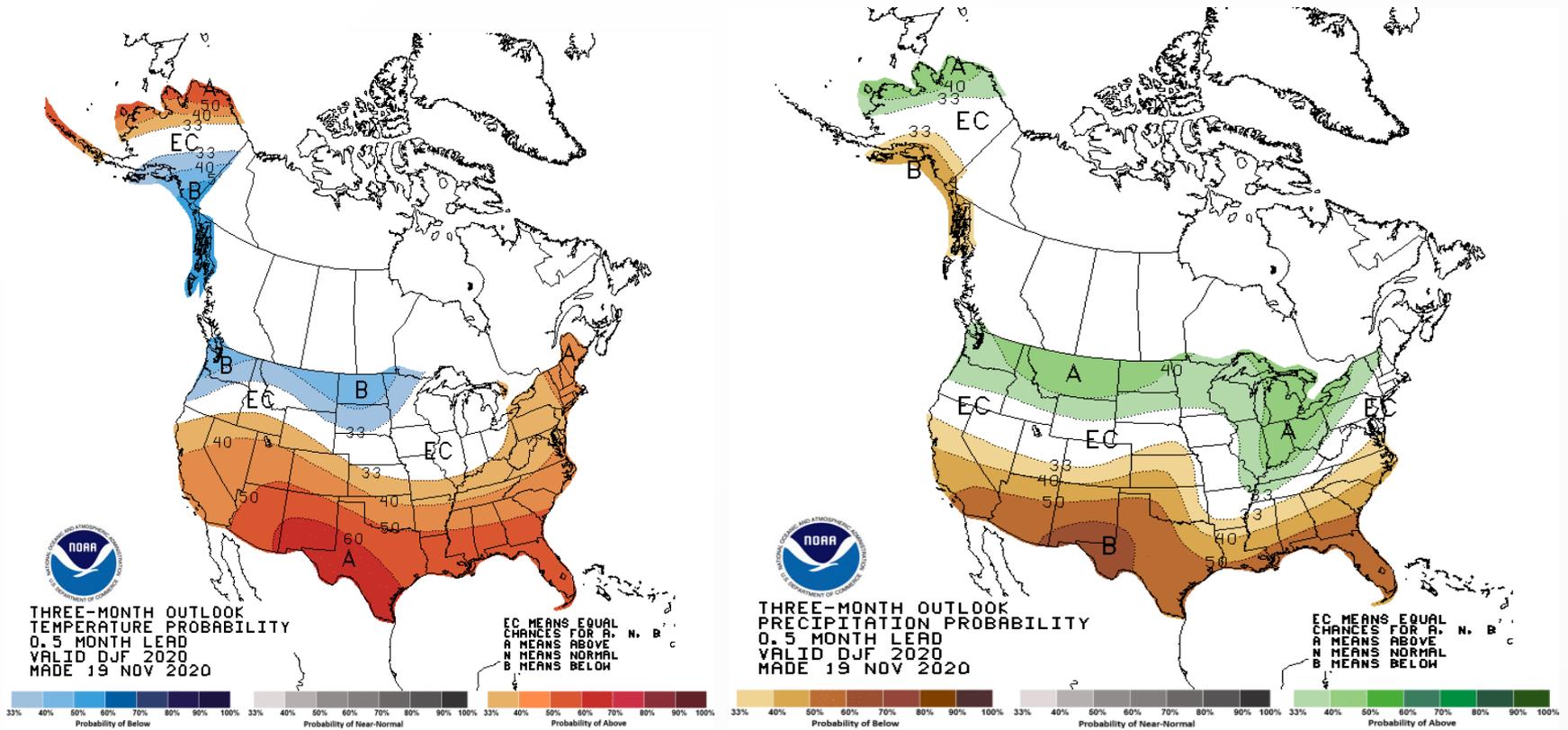


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[droughtmonitor.unl.edu](https://droughtmonitor.unl.edu)

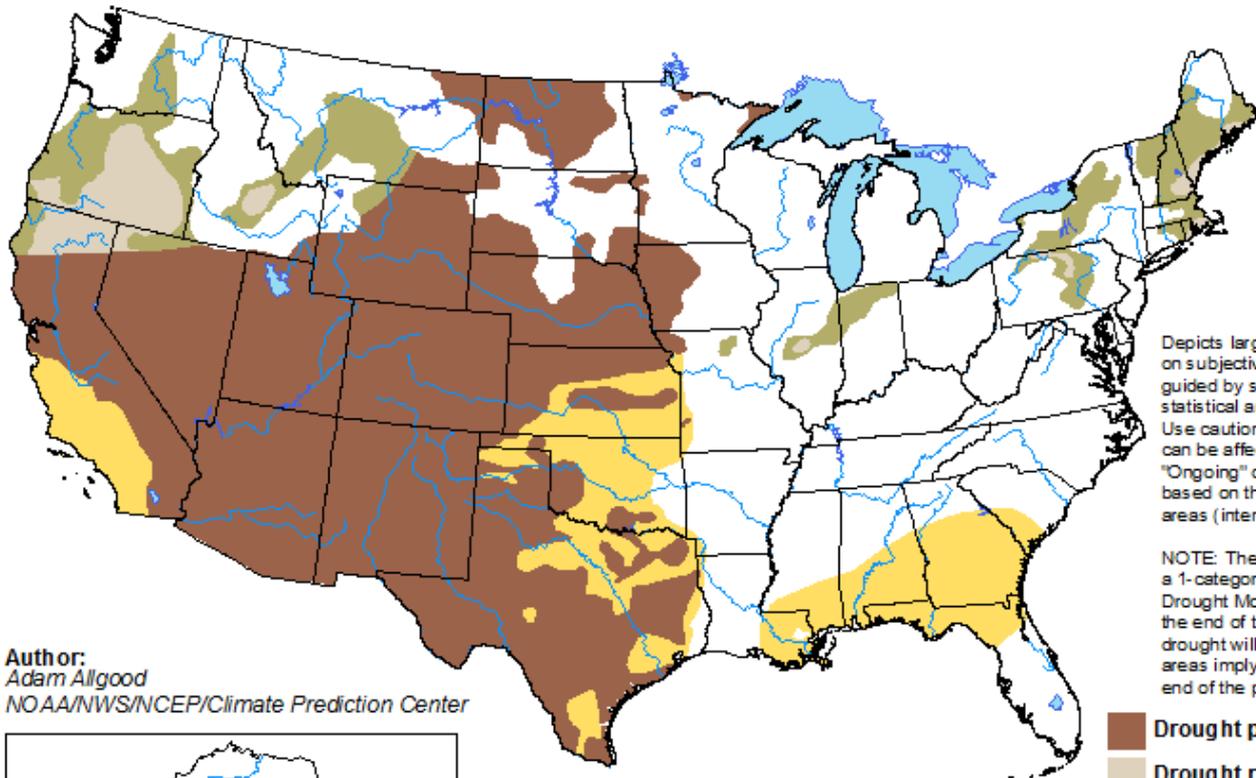
# THREE MONTH OUTLOOK



# U.S. Seasonal Drought Outlook

## Drought Tendency During the Valid Period

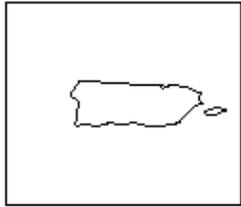
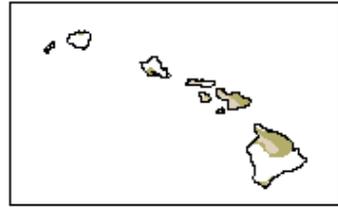
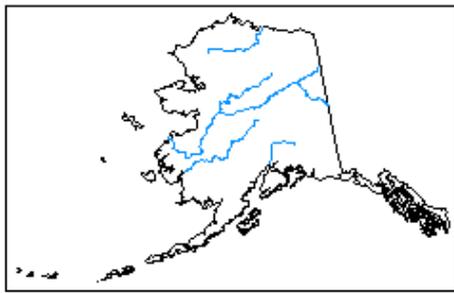
Valid for November 19, 2020 - February 28, 2021  
Released November 19, 2020



Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

Author:  
Adam Allgood  
NOAA/NWS/NCEP/Climate Prediction Center

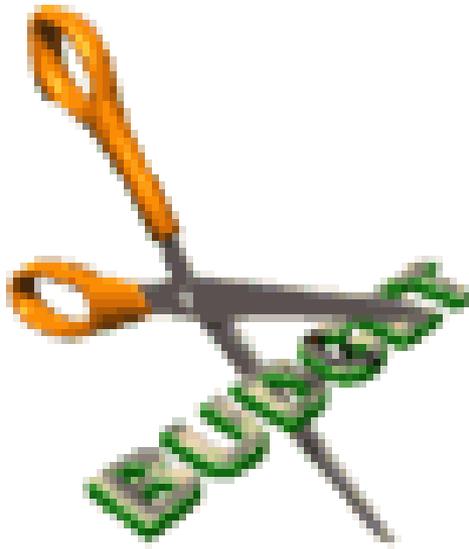


- Drought persists
- Drought remains but improves
- Drought removal likely
- Drought development likely



<http://go.usa.gov/3eZ73>

# STATE BUDGET PROCESS



# BUDGET IMPACTS



- **FY21 special session – 4% general fund reduction**
- **FY22 budget submittal – additional 5% general fund reduction**
- **Hiring freeze except for key operational positions**
- **Elimination of positions that had been vacant for 2 years**
  - **Pre-July 2020 OSE/ISC 342 authorized reduced to 315 authorized**
  - **December 2019 = 265 employees - December 2020 = 258 employees**
  - **Currently - 56 vacant positions - 17.8% vacancy rate**
  - **19 positions have been recruited for since the hiring freeze was implemented**
  - **5 positions are pending approval to fill**
  - **Anticipate additional vacancies due to retirements**

# Vacancy Summary by Program

OSE Organization Listing - December, 2020

PCode	Program Name	Authorized FTE	Authorized Vacant FTE	Funded Vacant FTE*
P551	Water Resource Allocation Program	172	28 <i>16.28%</i>	7
P552	Interstate Stream Commission	43	5 <i>11.63%</i>	6
P553	Litigation & Adjudication Program	59	12 <i>20.34%</i>	3
P554	Program Support	41	11 <i>26.83%</i>	4
<b>Agency Total :</b>		<b>315</b>	<b>56</b> <i>17.78%</i>	<b>20</b> <i>6.34%</i>

\*Assumes ann. av. PSEB of \$90K

# FY22 CRITICAL OPERATIONS PROPOSED TO BE FUNDED THROUGH SPECIAL APPROPRIATIONS

- \$750K for State Water Plan

Funds efforts to estimate effects from continued warming on our water resources and create solutions statewide

- \$5.375M for interstate water litigation (Rio Grande and Pecos)

Funds a portion of the US Supreme Court litigation activities on the Rio Grande and all the USSC litigation on the Pecos River

- \$2M for Pecos Settlement implementation activities

Funds activities such as pumping of ISC wellfields required by the settlement during drought

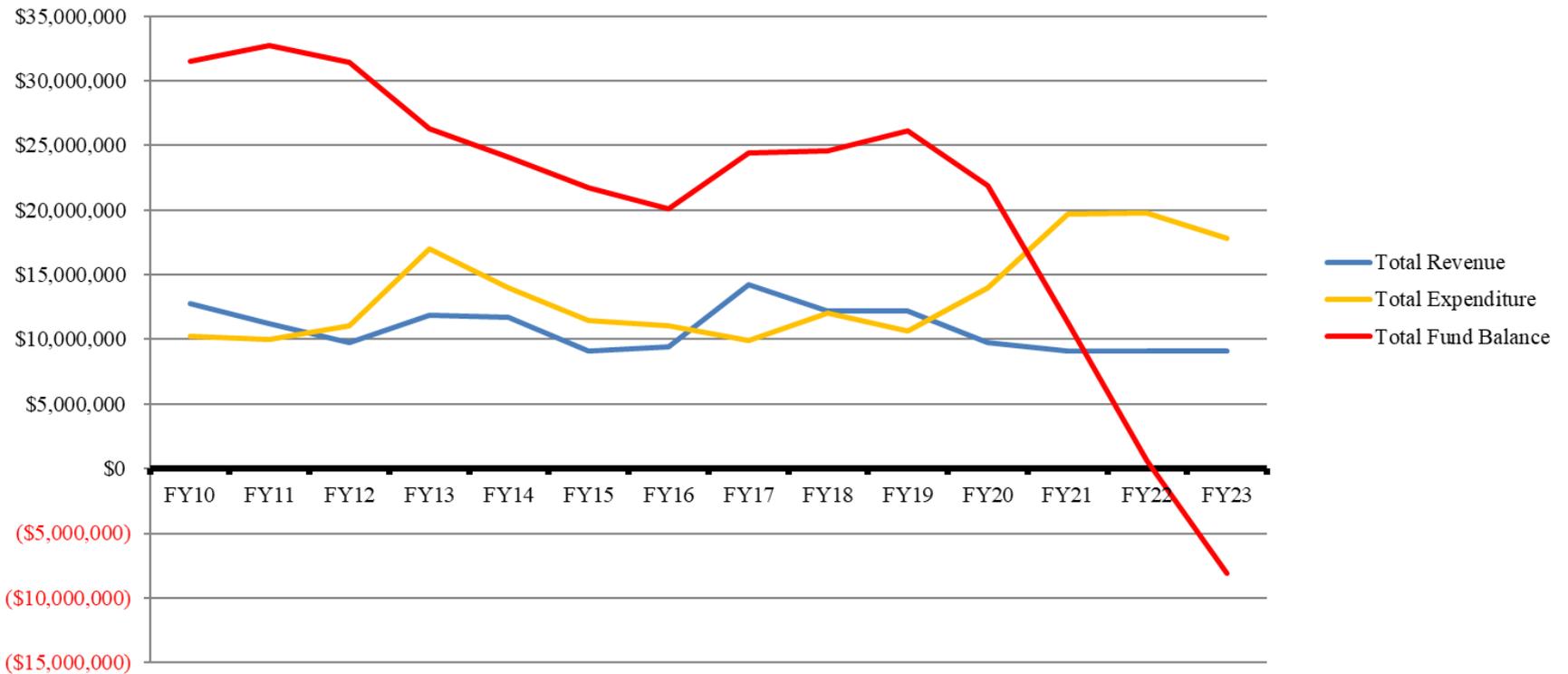
- \$300K for WATERS system software upgrades

Funds effort to ensure support and functionality of the OSE water rights tracking system

# **AGENCY TRUST FUNDS INSOLVENCY**

# OSE TRUST FUNDS COMBINED

**OSE Trust Funds Combined  
Revenues, Expenditures and Fund Balance Since 2010**



# IRRIGATION WORKS CONSTRUCTION FUND (326)

## -ACTUALS AND PROJECTIONS-

	B	C	D	E	F	G	H	I	J
1	<b>IRRIGATION WORKS CONSTRUCTION FUND (326)</b>								
2		<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>Pre-Audit</b>	<b>Projected</b>		
3		<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
4	<b>BEGINNING BALANCE</b>	\$15,207,005	\$13,509,420	\$15,418,005	\$15,496,439	\$16,248,298	\$13,438,596	\$3,990,896	\$194,196
5	<b>REVENUE</b>								
6	<b>Permanent Fund</b>	\$6,633,195	\$6,320,881	\$6,664,822	\$6,968,489	\$6,968,762	\$6,700,000	\$6,700,000	\$6,700,000
7	<b>Interest/Loans</b>	\$23,408	\$36,108	\$23,397	\$19,059	\$17,469	\$15,000	\$15,000	\$15,000
8	<b>Lease Income</b>	\$747,611	\$2,968,259	\$1,640,000	\$988,106	\$808,139	\$750,000	\$750,000	\$750,000
9	<b>Investment Income (Loss)</b>	\$342,433	\$1,787,009	\$1,430,320	\$1,798,600	\$3,250	\$0	\$0	\$0
10	<b>Miscellaneous</b>	\$35,800			\$128,709	\$5,500	\$25,000	\$25,000	\$25,000
11	<b>Adjustments</b>								
12	<b>TOTAL REVENUE</b>	<b>\$7,782,447</b>	<b>\$11,112,257</b>	<b>\$9,758,539</b>	<b>\$9,902,963</b>	<b>\$7,803,120</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>	<b>\$7,490,000</b>
13									
14	<b>EXPENDITURES</b>								
15	<b>Specials &amp; BAR Authority</b>						\$1,850,000	\$1,850,000	
16	<b>Operating Budget</b>	\$9,480,032	\$9,203,672	\$9,680,105	\$9,151,104	\$9,612,822	\$11,587,700	\$5,936,700	\$11,587,700
17	<b>Forestry Fund</b>					\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
18	<b>Acequia Fund</b>						\$2,500,000	\$2,500,000	\$2,500,000
19	<b>TOTAL EXPENDITURES</b>	<b>\$9,480,032</b>	<b>\$9,203,672</b>	<b>\$9,680,105</b>	<b>\$9,151,104</b>	<b>\$10,612,822</b>	<b>\$16,937,700</b>	<b>\$11,286,700</b>	<b>\$15,087,700</b>
20	<b>ADJUSTED BALANCE</b>	<b>\$13,509,420</b>	<b>\$15,418,005</b>	<b>\$15,496,439</b>	<b>\$16,248,298</b>	<b>\$13,438,596</b>	<b>\$3,990,896</b>	<b>\$194,196</b>	<b>(\$7,403,504)</b>

# IMPROVEMENT OF THE RIO GRANDE INCOME FUND (328)

## -ACTUALS AND PROJECTIONS-

	O	P	Q	R	S	T	U	V	W
1	<b>IMPROVEMENT OF THE RIO GRANDE INCOME FUND (328)</b>								
2		<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>ACTUAL</b>	<b>Pre-Audit</b>	<b>Projected</b>		
3		<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
4	<b>BEGINNING BALANCE</b>	\$6,502,230	\$6,574,787	\$9,012,226	\$9,112,726	\$9,887,723	\$8,494,561	\$7,330,261	\$470,661
5	<b>REVENUE</b>								
6	Permanent Fund	\$1,495,407	\$1,414,189	\$1,523,935	\$1,556,253	\$1,556,192	\$1,500,000	\$1,500,000	\$1,500,000
7	Interest/Loans								
8	Lease Income	\$90,505	\$1,443,926	\$587,020	\$221,008	\$156,664	\$50,000	\$50,000	\$50,000
9	Investment Income (Loss)	\$35,837	\$277,493	\$289,259	\$479,910	\$239,176	\$50,000	\$50,000	\$50,000
10	Miscellaneous			\$42,741					
11	<b>TOTAL REVENUE</b>	<b>\$1,621,749</b>	<b>\$3,135,608</b>	<b>\$2,442,955</b>	<b>\$2,257,171</b>	<b>\$1,952,032</b>	<b>\$1,600,000</b>	<b>\$1,600,000</b>	<b>\$1,600,000</b>
12									
13	<b>EXPENDITURES</b>								
14	<b>Specials &amp; BAR Authority</b>								
15	Operating Budget	\$1,549,191	\$698,168	\$2,342,455	\$1,482,174	\$2,345,194	\$1,764,300	\$7,459,600	\$1,764,300
16	Forestry Fund					\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
17	<b>TOTAL EXPENDITURES</b>	<b>\$1,549,191</b>	<b>\$698,168</b>	<b>\$2,342,455</b>	<b>\$1,482,174</b>	<b>\$3,345,194</b>	<b>\$2,764,300</b>	<b>\$8,459,600</b>	<b>\$2,764,300</b>
18	<b>ADJUSTED BALANCE</b>	<b>\$6,574,788</b>	<b>\$9,012,226</b>	<b>\$9,112,726</b>	<b>\$9,887,723</b>	<b>\$8,494,561</b>	<b>\$7,330,261</b>	<b>\$470,661</b>	<b>(\$693,639)</b>

# 5 -YEAR PLAN REDUCTION TO OSE TRUST FUNDS 2019

## Legislated 5-Year Plan to Reduce OSE Reliance on Trust Funds Contained in 2019 General Appropriations Act:

22 On or before October 1, 2019, the office of the state engineer shall present to the legislature a  
 23 five-year plan, covering a period beginning in fiscal year 2021, to reduce expenditures from the trust  
 24 funds for operations by replacing it with general fund revenue and to address the long-term solvency of  
 25 the irrigation works construction fund and the improvement of Rio Grande income fund, to include a plan

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Item	General Fund	Other State Funds	Intrnl Svc Funds/Inter-Agency Trnsf	Federal Funds	Total/Target
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1 to engage and support beneficiaries including but not limited to acequias, community ditches and other  
 2 partners.

# PROPOSED AGENCY 5-YEAR PLAN REDUCTION PLAN

## 5-Year \$9M General Fund Replacement Plan with \$1M Replacement First Year and \$2M Per Year Thereafter

FY 20 OPERATING BUDGET						
<i>Funding Source:</i>	WRAP	ISC	LAP	PS	<i>Total:</i>	<i>Net swap:</i>
Irrigation Works Construction Fund	1,845	7,195	2,548	809	12,397	
Improvement to the Rio Grande Fund	148	1,885	539	200	2,771	
<b>General Fund</b>	<b>11,993</b>	<b>1,658</b>	<b>2,040</b>	<b>3,546</b>	<b>19,237</b>	
Water Master	666				666	
Emergency Drought Water Agreement		668			668	
Game Protection Fund		182			182	
Misc.		125			125	
Strategic Water Reserve		743			743	
Arizona Water Settlement		1,107			1,107	
Water Project Fund			2,238		2,238	
	14,651	13,564	7,364	4,555	<b>40,134</b>	

GF Replacement Plan Year 1 - FY21 (Based on FY20 OpBud Levels)						
<i>Funding Source:</i>	WRAP	ISC	LAP	PS	<i>Total:</i>	<i>Net swap:</i>
Irrigation Works Construction Fund	1,845	7,195	2,548	-	11,587	(809)
Improvement to the Rio Grande Fund	148	1,885	539	-	2,571	(200)
<b>General Fund</b>	<b>11,993</b>	<b>1,658</b>	<b>2,040</b>	<b>4,555</b>	<b>20,246</b>	<b>1,009</b>
Water Master	666				666	-
Emergency Drought Water Agreement		668			668	-
Game Protection Fund		182			182	-
Misc.		125			125	-
Strategic Water Reserve		743			743	-
Arizona Water Settlement		1,107			1,107	-
Water Project Fund			2,238		2,238	-
	14,651	13,564	7,364	4,555	<b>40,134</b>	-

GF Replacement Plan Year 2 - FY22						
<i>Funding Source:</i>	WRAP	ISC	LAP	PS	<i>Total:</i>	<i>Net swap:</i>
Irrigation Works Construction Fund	1,845	7,195	1,087		10,126	(2,270)
Improvement to the Rio Grande Fund	148	1,885			2,033	(739)
<b>General Fund</b>	<b>11,993</b>	<b>1,658</b>	<b>4,040</b>	<b>4,555</b>	<b>22,246</b>	<b>3,009</b>
Water Master	666	-	-	-	666	-
Emergency Drought Water Agreement	-	668	-	-	668	-
Game Protection Fund	-	182	-	-	182	-
Misc.	-	125	-	-	125	-
Strategic Water Reserve	-	743	-	-	743	-
Arizona Water Settlement	-	1,107	-	-	1,107	-
Water Project Fund	-	-	2,238	-	2,238	-
	14,651	13,564	7,364	4,555	<b>40,134</b>	-

GF Replacement Plan Year 3 - FY23						
<i>Funding Source:</i>	WRAP	ISC	LAP	PS	<i>Total:</i>	<i>Net swap:</i>
Irrigation Works Construction Fund	931	7,195	-	-	8,126	(4,270)
Improvement to the Rio Grande Fund	148	1,885	-	-	2,033	(739)
<b>General Fund</b>	<b>12,906</b>	<b>1,658</b>	<b>5,126</b>	<b>4,555</b>	<b>24,246</b>	<b>5,009</b>
Water Master	666	-	-	-	666	-
Emergency Drought Water Agreement	-	668	-	-	668	-
Game Protection Fund	-	182	-	-	182	-
Misc.	-	125	-	-	125	-
Strategic Water Reserve	-	743	-	-	743	-
Arizona Water Settlement	-	1,107	-	-	1,107	-
Water Project Fund	-	-	2,238	-	2,238	-
	14,651	13,564	7,364	4,555	<b>40,134</b>	-

# PROPOSED AGENCY 5-YEAR PLAN REDUCTION PLAN

## 5-Year \$9M General Fund Replacement Plan with \$1M Replacement First Year and \$2M Per Year Thereafter

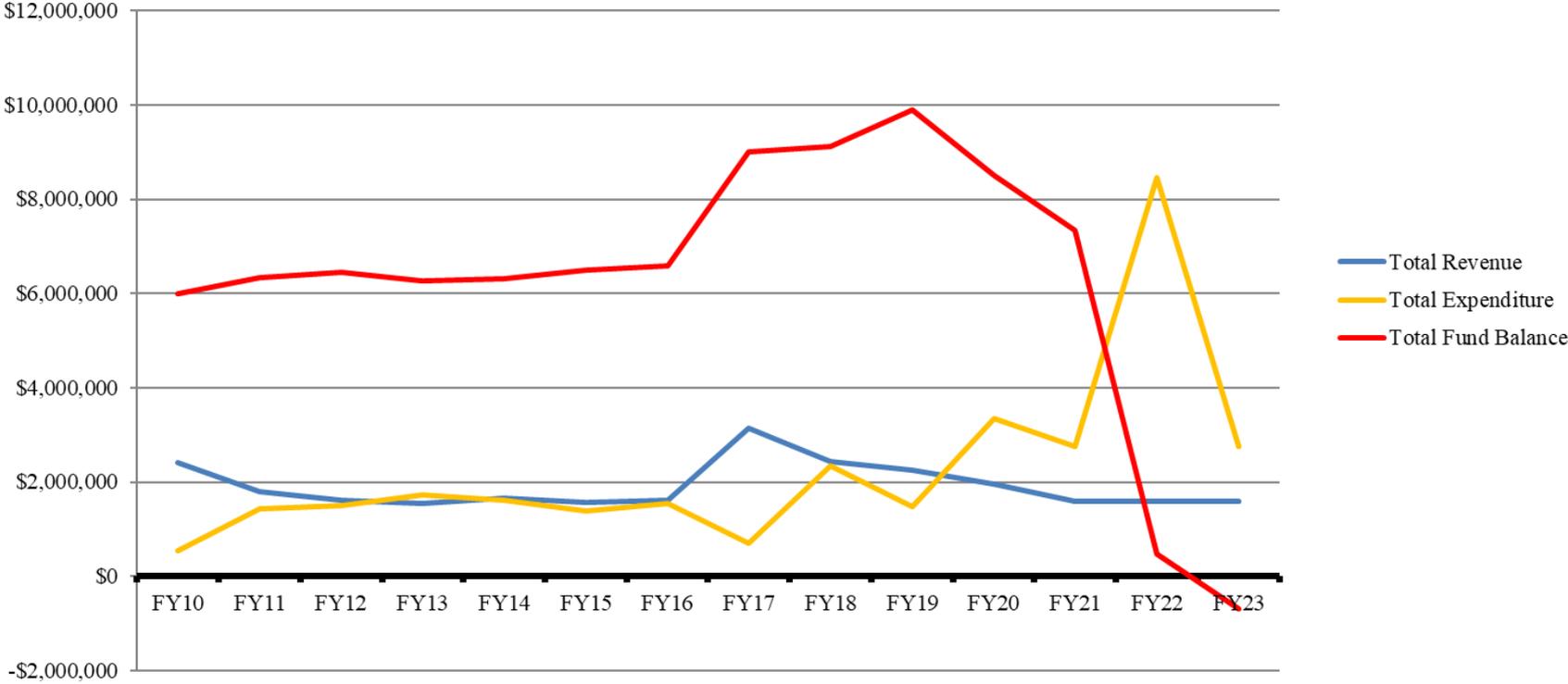
GF Replacement Plan Year 4 - FY24						
<i>Funding Source:</i>	WRAP	ISC	LAP	PS	Total:	Net swap:
Irrigation Works Construction Fund	-	6,274	-	-	6,274	(6,123)
Improvement to the Rio Grande Fund	-	1,885	-	-	1,885	(886)
<b>General Fund</b>	<b>13,985</b>	<b>2,580</b>	<b>5,126</b>	<b>4,555</b>	<b>26,246</b>	<b>7,009</b>
Water Master	666	-	-	-	666	-
Emergency Drought Water Agreement	-	668	-	-	668	-
Game Protection Fund	-	182	-	-	182	-
Misc.	-	125	-	-	125	-
Strategic Water Reserve	-	743	-	-	743	-
Arizona Water Settlement	-	1,107	-	-	1,107	-
Water Project Fund	-	-	2,238	-	2,238	-
	14,651	13,564	7,364	4,555	<b>40,134</b>	-

GF Replacement Plan Year 5 - FY25						
<i>Funding Source:</i>	WRAP	ISC	LAP	PS	Total:	Net swap:
Irrigation Works Construction Fund	-	4,274	-	-	4,274	(8,123)
Improvement to the Rio Grande Fund	-	1,885	-	-	1,885	(886)
<b>General Fund</b>	<b>13,985</b>	<b>4,580</b>	<b>5,126</b>	<b>4,555</b>	<b>28,246</b>	<b>9,009</b>
Water Master	666	-	-	-	666	-
Emergency Drought Water Agreement	-	668	-	-	668	-
Game Protection Fund	-	182	-	-	182	-
Misc.	-	125	-	-	125	-
Strategic Water Reserve	-	743	-	-	743	-
Arizona Water Settlement	-	1,107	-	-	1,107	-
Water Project Fund	-	-	2,238	-	2,238	-
	14,651	13,564	7,364	4,555	<b>40,134</b>	-

**(Even if this plan were followed the funds will not be solvent in the near or long-term absent additional infusions or reductions to the recently-instituted statutory diversions from the funds.)**

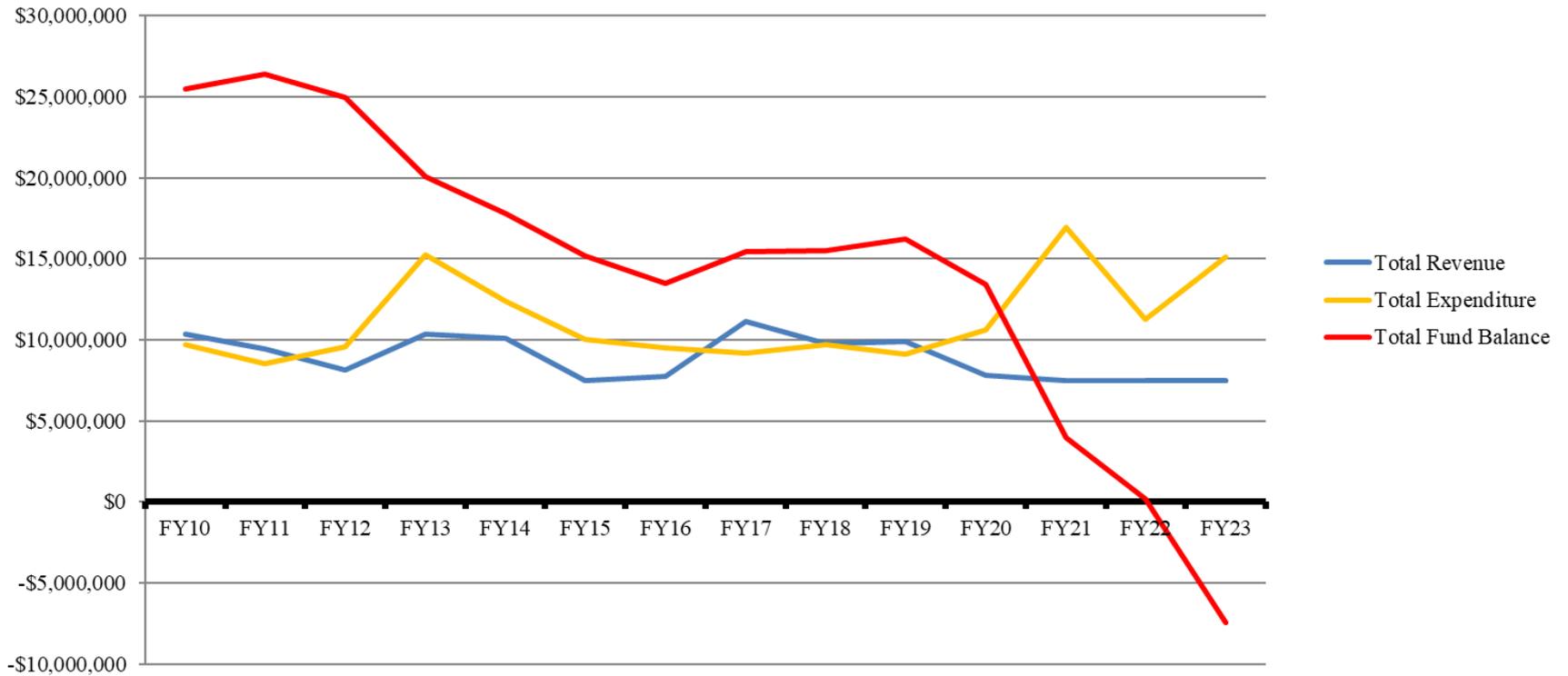
# IMPROVEMENT OF THE RIO GRANDE FUND

## Improvement of the Rio Grande Fund Revenues, Expenditures and Fund Balance Since 2010



# IRRIGATION WORKS CONSTRUCTION FUND

## Irrigation Works Construction Fund Revenues, Expenditures and Fund Balance Since 2010



# **TX V NM UPDATES**

# **TEXAS V. NEW MEXICO AND COLORADO, NO. 141 ORIGINAL -ON THE RIO GRANDE-**

- **New Mexico filed its Preliminary Trial Witness List on October 1, 2020, listing 71 potential trial witnesses**
- **Discovery closed on August 31, although the United States just finished its Rule 30(b)(6) deposition of New Mexico representatives end of November**
- **The parties have conducted approximately 100 deposition days of expert and fact witnesses**
- **On November 5, 2020, New Mexico filed three motions for partial summary judgment:**
  - (1) On Compact Apportionment (71 pages)
  - (2) To Exclude Damages in Certain Years (30 pages)
  - (3) To Exclude Claims for Damages in Years That Texas Failed to Provide Notice to New Mexico of its Alleged Shortages (34 pages)
  - An exhibit compendium was filed simultaneously with approximately 200 pieces of evidence supporting the motions

# **TEXAS V. NEW MEXICO AND COLORADO, NO. 141 ORIGINAL**

- **Texas filed a motion for partial summary judgment as to its contentions that:**
  - New Mexico has no Compact apportionment below Elephant Butte Reservoir
  - The Compact requires 1938 conditions, and that New Mexico's groundwater pumping causes depletions violating the 1938 condition
- **The United States also filed a dispositive motion**
- **Responses to all the motions are due December 22, and on that date the amici are also permitted to respond to any of the motions**
- **The Court appointed retired federal district Judge Oliver W. Wanger (California) as mediator**
  - Issued a scheduling order for mediation
  - Mediation statements were due November 16, 2020
  - Parties will begin meeting individually with the mediator on December 14. The mediator has advised all parties to be available full-time for mediation through January 11, 2021
- **New Mexico continues to work productively with the New Mexico Office of the Attorney General as well as with several of the Lower Rio Grande amici.**
- **Trial is scheduled to commence in July or August 2021**

# TEXAS V. NEW MEXICO AND COLORADO, NO. 141 ORIGINAL

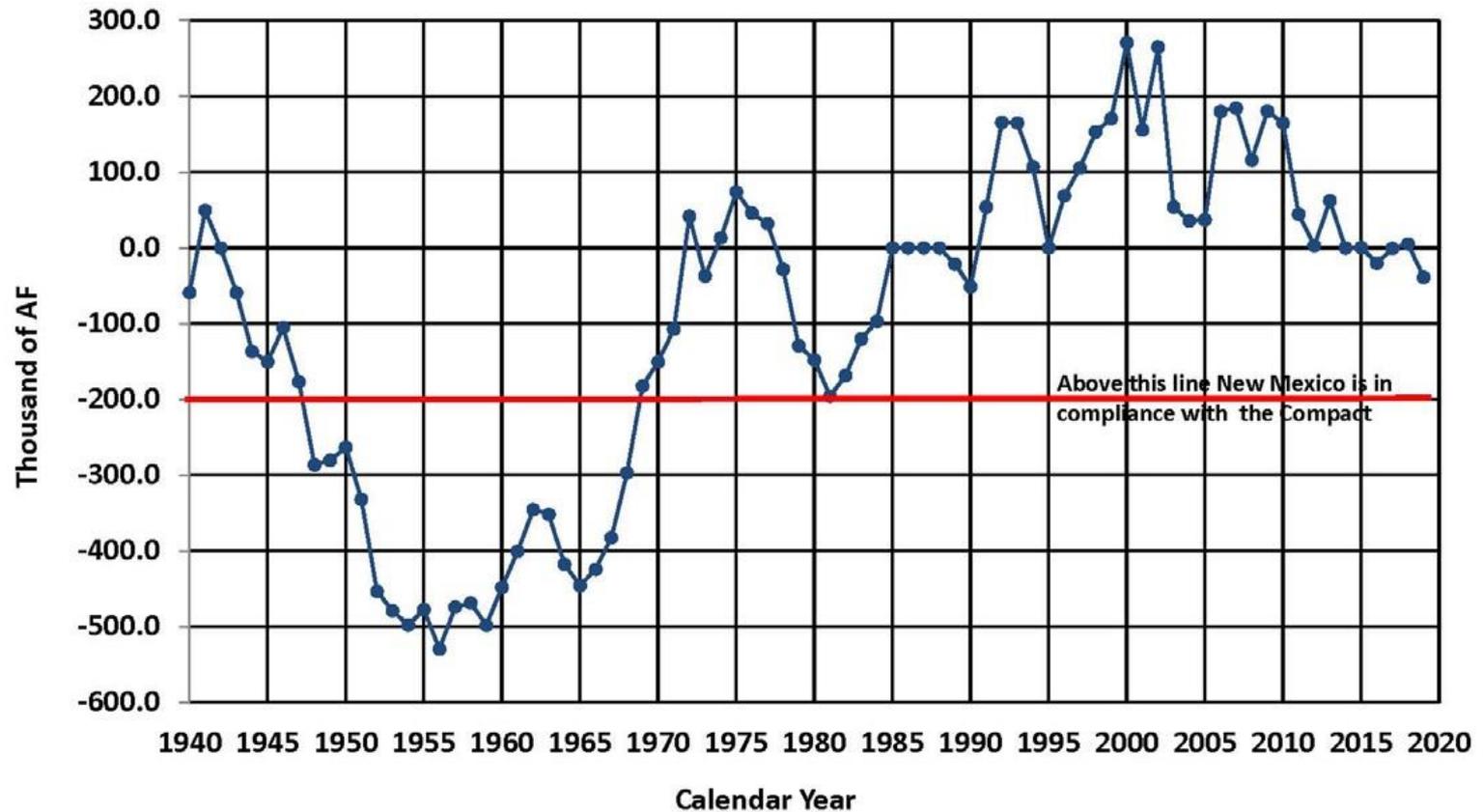
**\$5.375M Special Appropriation Request for part of FY21  
and FY22**

- **Rio Grande Interstate Litigation (\$5.15M):**
  - Technical Expert Services (Hydrology, engineering, modeling, etc.)
  - Other Expert Services (Compact, historian, economist, etc.)
  - Supporting Services (Documents, records, records compilation, etc.)
  - Other Legal Services
  - OSE/ISC Staffing, Travel, etc.
- **Pecos and Other Interstate Litigation (\$0.225M):**

# RIO GRANDE COMPACT (ARTICLE VI)

Rio Grande Compact Cumulative Departures  
1940 to 2019

Projected accrued  
debit for 2021  
estimated to be 85-  
100,000 AF



Note: The Compact Commission has not approved annual accounting since 2011. Values in the chart since that time are those calculated and proposed by the New Mexico Engineer Adviser as described in annual reports to the Compact Commission

# **INDIAN WATER RIGHT SETTLEMENTS**

# INDIAN WATER SETTLEMENTS

- **Aamodt –Construction of the approximate \$400M Regional Water System has begun.**
  - Federal Cost Share is \$276.8M
  - State cost share is \$104.5M with no further indexing
  - State has appropriated \$57.5M and \$47.0M is still needed
  - OSE/ISC FY22 Capital request submitted for \$9M
- **Navajo Nation – Navajo Gallup Water Supply Project (\$1.3 Billion of federal dollars)**
  - Federal cost share is over \$1.2 Billion
  - The State cost share of \$50M has been met and expended, subject to final accounting.
  - Cutter Lateral water system has been constructed and operations testing has started.
  - San Juan Lateral system elements and costs being re-evaluated.
- **Taos –**
  - The \$20M State cost share has been met. Staff working with parties on implementation of certain projects.
  - Settlement has been fully funded.

# INDIAN WATER RIGHT NEGOTIATIONS

**The State is in settlement negotiations with 9 Pueblos, Tribes and Nations in 6 adjudications.**

- **Ohkay Owingeh and Santa Clara** – water rights claims on the Santa Cruz, Truchas and Chama
- **Jemez and Zia** – water rights claims on the Rio Jemez
- **Acoma and Laguna (and Navajo Nation)** –water rights claims on the Rio San Jose
- **Zuni and Navajo Nation** – water rights claims on the Zuni River
- **Ute Mountain Utes** –water right claims to the San Juan River in New Mexico

# **OSE/ISC 50-YEAR STATE WATER PLAN**

# N.M. WATER PLANNING CHALLENGES

- **Twenty Plus Year Drought**
- **Climate Change**
- **Growing Population**
- **Gaps between Supply and Demand**
- **Inadequate Infrastructure**
- **Resource Constraints on Water Administration**
- **Interstate and Intrastate Litigation.**

**The NMISC is planning to team with the NM Bureau of Geology and Mineral Resources, US Army Corp of Engineers, New Mexico Water Dialogue, and others in the effort.**

## **The 50-year Water Plan will:**

- **Provide an assessment of these challenges in various sectors of the State and the State as a whole**
- **Describe how we will bring all New Mexico stakeholders to the table to ensure inclusive water planning**
- **Describe what New Mexicans can do to help**
- **Goal of reducing risk, improving water resilience, and creating a realistic sustainable plan for the next 50 years**

# N.M. ADDRESSING N.M. WATER PLANNING CHALLENGES

## Much Work has been done/started:

- New Mexican's have a long history of drought and being resilient to it
  - Acequias, Tribes, etc.
- Municipalities are already planning for drier and more variable times: ABCWUA 100-Year Plan, City of Santa Fe Long-Range Plan, San Juan Water Commission Animas-La Plata Project Plans, Eastern New Mexico Pipeline Project
- Irrigated Agriculture has been responding
  - Conservancy and Irrigation District System Improvements and Conservation
  - \$16 M to Acequias
- Indian Water Rights Settlement Projects: Navajo Gallup, Aamodt, etc.
- Implementing Active Water Resources Management
- Strategic Water Reserve Implementation

## The 50-year Water Plan will:

- Describe where, why, and how New Mexican's have reduced risk and are already largely resilient to the expected climate changes

# 50-YR WATER PLAN SCHEDULE

## 4 PHASES & 18 MONTHS

- **Phase 1:** Kick-Off in January 2021 at Annual NM Water Dialogue Meeting
- **Phase 2:** January 2021 thru September 2021) – Experts Perform “Leap Ahead” Analysis - Assessment of Current and Future Water Resource Conditions and Risks
- **Phase 3:** July 2021 to November 2021 – Outreach, Receive Input, and Create Strategies to Achieve Resilience
- **Phase 4:** November 2021 to April 2022 - Produce Draft, Receive Additional Input, and Finalize Plan

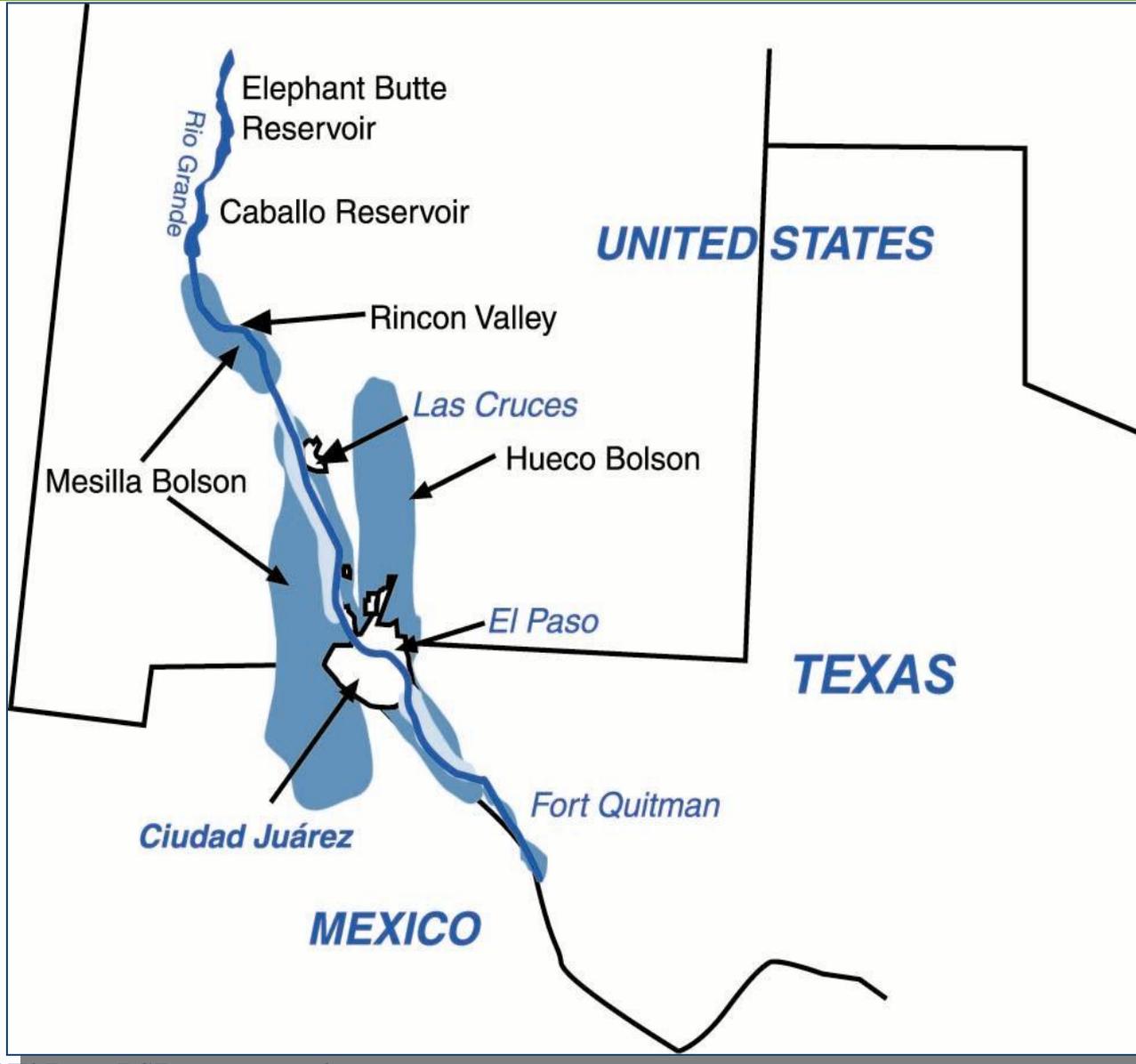
# RESOURCE CHALLENGES

## 50-YEAR WATER PLAN

- **In FY20 the Governor recommended the legislature provide the ISC \$750K and 2 staff positions to begin the development of a 50-year water plan**
  - OSE/ISC requested the funding and staffing from the legislature for FY21 to scope and begin development of a 50-year water plan in FY21; Funds were appropriated for the staffing, **but the \$750K was not authorized. Further, the new staff positions were effectively lost during the special session.**
- **FY21 funding reality and hiring freeze**
  - FY21 OSE/ISC Water Planning Program budget is \$350K funded by IWCF and we were not able to advertise for the 1 open existing staff position until now (Nov. 2020); **in total the program only has 2 positions**
- **FY22 Special Appropriation request of \$750,000 to match funding with US Army Corps of Engineers and team with New Mexico Bureau of Geology and Mineral Resources and support conducting the following effort.**

# **LOWER RIO GRANDE WATER CONSERVATION PILOT PROGRAM**

# LOWER RIO GRANDE AND UNDERLYING GROUNDWATER BASINS



Source: City of El Paso PSB, not to scale

# **LOWER RIO GRANDE WATER CONSERVATION PILOT PROGRAM**

- **FY2021 regular session the state legislature appropriated seed money to fund and establish a pilot water conservation program in the Lower Rio Grande:**
  - \$17,000,000 for the NMISC to develop and fund a water management pilot project for the Lower Rio Grande for fiscal years 2020 through 2023.
  - No more than two million dollars (\$2,000,000) from this appropriation may be expended for startup costs in fiscal years 2020 and 2021.

# **LOWER RIO GRANDE WATER CONSERVATION PILOT PROGRAM**

- No more than five million dollars (\$5,000,000) from this appropriation may be expended in each fiscal year from fiscal years 2021 through 2023. Local entities shall be responsible for cost-share contributions beginning in fiscal year 2021.
- **FY2021 Special session (June 2020) of the state legislature reduced the \$17M to \$7M.**

# LOWER RIO GRANDE WATER CONSERVATION AND FALLOWING PILOT PROGRAM

## PURPOSES:

- **Short term** - to establish a test process for reducing groundwater pumping by fallowing irrigated land
- **Long term** – develop and test water management actions that promote aquifer health, and set up an independent entity for long-term program management

## STATUS:

- **Completed Assessment of other regional fallowing programs for comparison purposes**
- **Requests for proposals to implement the test through a grant program**
  - Grant applications were accepted from November 9-23, 2020
  - Applications are currently being reviewed for eligibility
- **Assessing Options for Standing Up the User Group to manage the Program Long-Term**
  - Top Soil Management methods and issues should the Program be viable and relatively large in area

# **LOWER RIO GRANDE WATER CONSERVATION AND FOLLOWING PILOT PROGRAM**

- **Assessment of other regional following programs for comparison**
- **Preparation to advertise requests for proposals was recently modified to implement a grant program**
  - Grant applications were accepted from November 9-23, 2020
  - Applications are currently being reviewed for eligibility

# **PECOS RIVER**

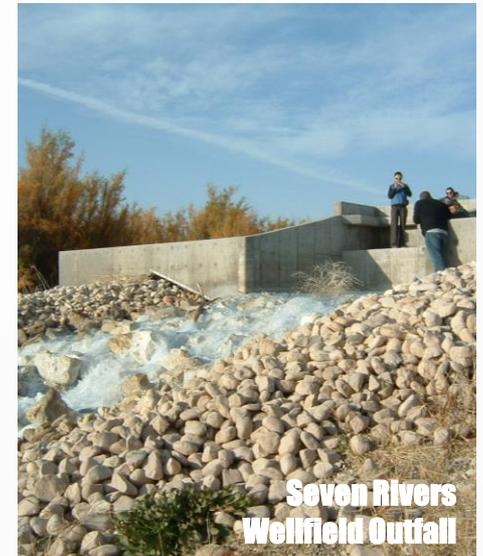
# PECOS RIVER BASIN

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# PECOS AUGMENTATION PUMPING FOR THE 2021 IRRIGATION SEASON

- Pumping of state-owned Pecos Basin wellfields is needed for the 2021 irrigation season.
  - If significant pumping is required, additional funds *up to \$2.0 million* will be necessary to meet the terms of the 2003 Pecos Settlement Agreement.

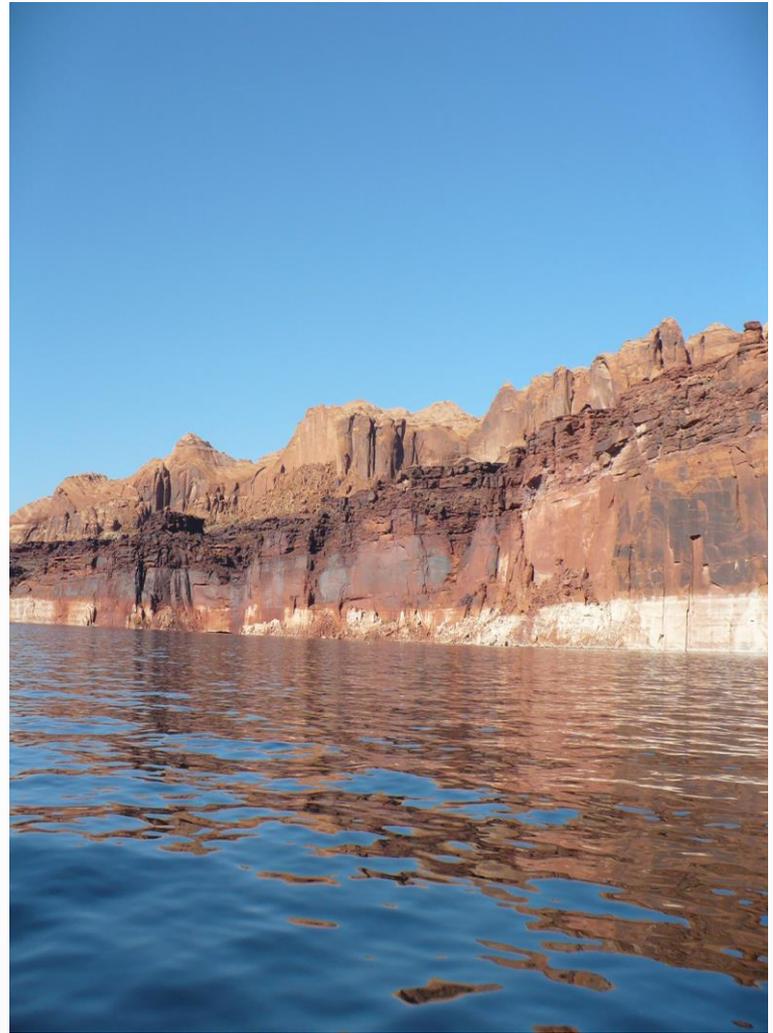


# PECOS AUGMENTATION PUMPING FOR THE 2021 IRRIGATION SEASON

- **The settlement requires the state to augment supplies for the Carlsbad Irrigation District under certain conditions.**
  - Those conditions exist now and about 2000 acre-feet has already been delivered to Brantley Reservoir.
  - Outlook for 2021 is not good given current drought conditions and dwindling reservoir supplies.
  - Agency submitted a FY22 Special Appropriation request for the expected needed funding.

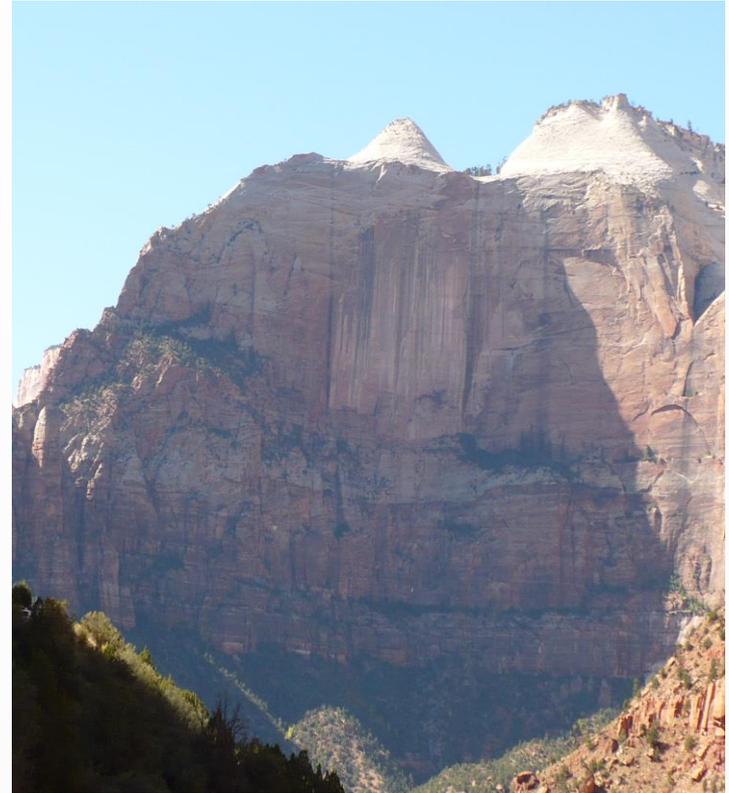
Seven Rivers  
Wellfield Outfall

# **COLORADO RIVER BASIN**



# COLORADO RIVER BASIN

- **Colorado River Drought Contingency Efforts**
  - Demand management in the upper basin
  - Strategic Water Reserve implementation
    - Potential lease with Jicarilla Apache Nation (NMISC and TNC)
- **San Juan Recovery Implementation Program**
- **Navajo Gallup Water Supply Project**
  - Cutter Lateral
  - San Juan Lateral



# **ARIZONA WATER SETTLEMENTS ACT**

# ARIZONA WATER SETTLEMENTS ACT

- **Arizona Water Settlements Act Gila/San Francisco diversion project reassessment and refocus**
  - Close-Out ISC Involvement in New Mexico Unit NEPA process
    - Dispute Resolution nearly completed
  - Coordinate with Southwest Water Study Group or its Successor– The New Mexico CAP Entity
  - Focus on local Non-Unit Projects
    - Work with farmers to help them replace river push-up diversions
    - Assess litigation risk for Virden Valley farmers ability to pump groundwater in the future
    - Assess opportunities to aid Hurley and Tri-City area to address the Hurley wells quantity and quality issues.
    - Work with NM CAP Entity to develop criteria for evaluating and proposing additional projects to the Interstate Stream Commission

# QUESTIONS?



Defend private property rights by enforcing priority administration while allowing for stakeholder driven alternative administration solutions