

# Achieving the Potential of the Strategic Water Reserve

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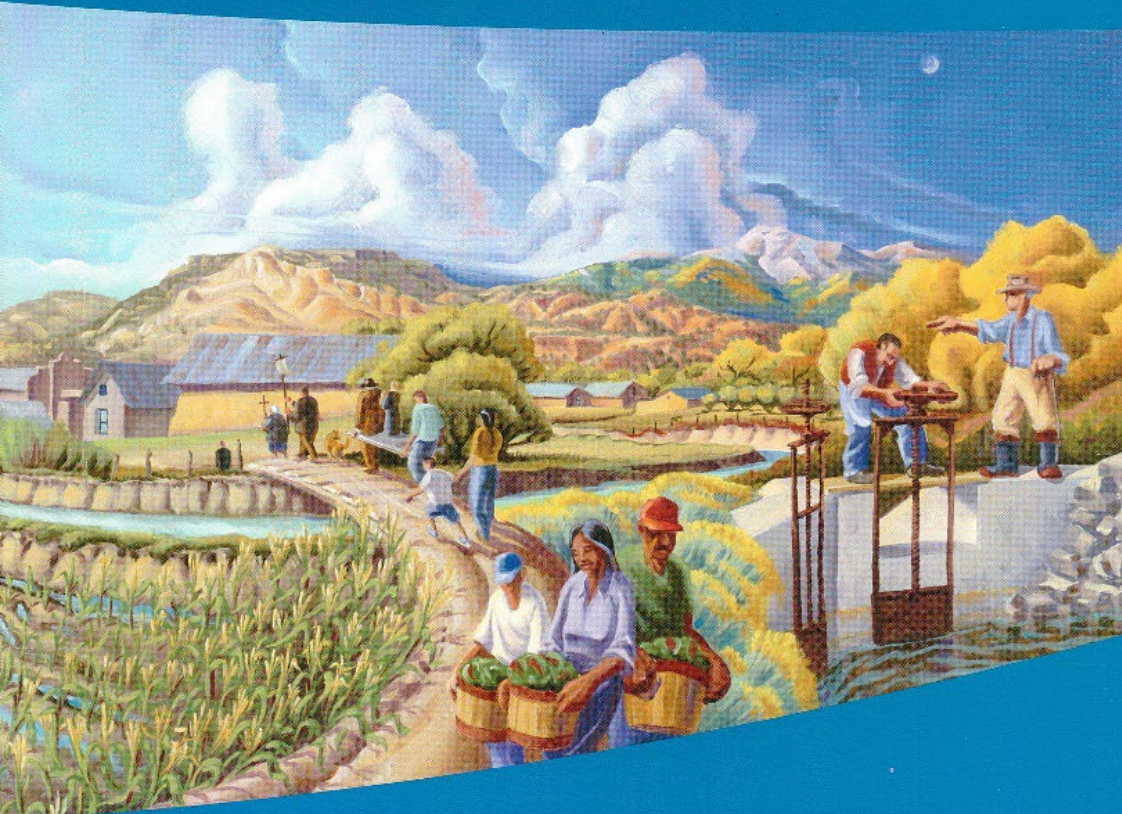
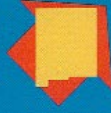
Presentation to the Water and Natural Resources Committee

July 25, 2022

WINTER 2003

**THINK NEW MEXICO**

*A Results-Oriented Think Tank Serving New Mexicans*

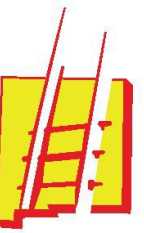


**¡Rio Vivo!**

The Need for a Strategic River Reserve in New Mexico

**THINK NEW MEXICO**

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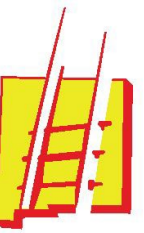
## History & Key Goals

- Proposed 2003, enacted 2005
- Keep some more water in New Mexico's rivers
- Avert conflict – including expensive litigation – over endangered species and interstate compacts

# Lessons Learned

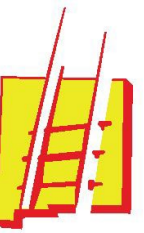
- It can work!
  - The Strategic Water Reserve has successfully cooled conflicts over the Pecos Bluntnose Shiner
  - Lease of 20,000 acrefeet a year from the Jicarilla Apache nation on the San Juan River shows potential for major benefits
- However, two challenges have limited the Strategic Water Reserve's positive impact:
  - 1) Lack of consistent funding
  - 2) Lack of capacity within the agency to make the most of this tool

# History of Appropriations to the Strategic Water Reserve



Year	Funds Appropriated	Funds Clawed Back	Funds Spent	Funds Available
2005	\$2.8 million			
2006	\$2 million			
2007	\$500,000			
2009		\$1.5 million		
2010		\$600,000		
2014	\$2 million			
2017		\$2 million		
2019	\$242,000			
2020	\$750,535			
2022	\$500,000			
<b>TOTAL</b>	<b>\$8,792,535</b>	<b>\$4,100,000</b>	<b>~\$3,900,000</b>	<b>~\$300,000</b> (\$500,000 from 2022 earmarked)





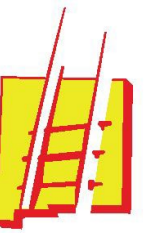
# Other Funding Challenges

- Even when funding is available for the Strategic Water Reserve, it has often come with constraints that have limited effectiveness, such as:
  - Must be spent within a relatively short period of time
    - Problem: it often takes multiple years to complete a water rights transaction and the seller or lessor needs to be confident that the money will be there when the deal closes
  - Only allowed to be used for purchases, not long-term leases
    - Problem: in some critical areas, like the Middle Rio Grande, leases are the best option available



# Capacity Challenges

- Right now, the only ISC staff looking at the Strategic Water Reserve are the individual river basin managers
- No one is taking a statewide perspective, looking for opportunities to make the most of this valuable tool
- Basin managers have many responsibilities and may not have the bandwidth to seek out and engage in complex water rights transactions



# Legislative Recommendations

- **Inject \$15 million in one-time money into the Strategic Water Reserve**
  - Put in enough money to demonstrate the true potential of this tool
  - This funding needs to have a long time frame and flexible uses
- **Fund 1-2 FTEs at the ISC specifically dedicated to the Strategic Water Reserve and related initiatives**
  - This capacity increase, along with the investment of funding, can help the Strategic Water Reserve function effectively as a tool for averting conflict over New Mexico's rivers