

Implementation of HB 200

Presentation to the
Water and Natural Resources
Committee

Marquita Russel, Chief Executive Officer, NMFA

October 21, 2021

Water Trust Board Duties

The 2001 Legislature enacted the Water Project Finance Act (the "Act") which created the Water Trust Board ("WTB"), a 16-member board representing a diverse set of water interests

Primary duty of the Water Trust Board is to authorize to fund qualifying water projects to the authority for five types of water projects

As part of the 2021 Legislative Session, HB200 added another WTB duty: "Evaluate projects, including their environmental impacts, and recommend projects to the interstate stream commission pursuant to the provisions of Section 72-14-45"



Water Trust Board Members

John D'Antonio, Jr., *Chair*

New Mexico State Engineer

Steve Kopelman

New Mexico Counties

A.J. Forte, *Vice-Chair*

New Mexico Municipal League

Timothy McGinn

Irrigation or Conservancy District – Ground Water

Michael Sloane, *Secretary*

NM Dept of Game and Fish

Jonathan Nez

President, Navajo Nation

Brent Van Dyke, *Treasurer*

Soil and Water Conservation Districts

Sarah Cottrell Propst

Energy, Minerals & Natural Resources Dept

Greg Alpers

Irrigation or Conservancy District – Surface Water

Debbie Romero

Dept. of Finance and Administration

Robert Baracker

Acequia Water Users

Marquita Russel

New Mexico Finance Authority

Priscilla Lucero

Environmental Community

Mark Thompson

NM Indian Affairs Department Appointee

James Kenney

NM Environment Department

Jeff Witte

Department of Agriculture



NMFA Duties

NMFA provides staff support to the WTB and develops application procedures and forms for qualifying entities to apply for grants and loans from the Water Project Fund (the "Fund")

The NMFA heads up a seven-agency review team that evaluates project applications and makes recommendations to the Water Trust Board and its committee.

NMFA is the administrator of the Fund, which is held at the NMFA, and makes grants and loans to authorized projects. Pursuant to a Memorandum of Agreement, the Construction Programs Bureau of the NM Environment Department provides engineering and construction oversight of WTB projects for a fee that is paid by the Fund.



WTB Evaluation Criteria

- ▶ Pursuant to the Act, the WTB adopted rules that give priority to projects that have:
 - been identified as being urgent to meet the needs of a regional water planning area that has a completed regional water plan that has been accepted by the interstate stream commission;
 - matching contributions from federal or local funding sources;
 - obtained all requisite state and federal permits and authorizations necessary to initiate the project

- ▶ Additionally, the WTB established policies and evaluation criteria that give priority to projects that
 - cure health and safety issues
 - address existing or imminent emergency conditions
 - that have been properly planned



House Bill 200

- ▶ House Bill 200:
 - names the WTB as the successor to the Southwest New Mexico Water Study Group
 - directs the WTB to evaluate water utilization projects, including their environmental impacts, proposed within the Southwest Water Planning Region of New Mexico (Catron, Grant, Hidalgo and Luna Counties), and
 - recommend projects to the Interstate Stream Commission (“ISC”) for funding from the NM Unit Fund
- ▶ The NMFA will not make grants and loans from the NM Unit Fund, nor will NMED oversee the projects funded
- ▶ The ISC has final decision-making authority over which water utilization projects are funded



House Bill 200 Implementation

- ▶ Following the passage of HB 200, the WTB Chair appointed a Task Force consisting of several members of the WTB to make recommendations on the implementation of House Bill 200
- ▶ At the WTB meeting on August 25th, 2021, the Task Force recommended that the WTB solicit input on the implementation of House Bill 200 through an online 45-day public comment period. The WTB unanimously approved the recommendation
- ▶ The online 45-day public comment period opened on September 8th and closes on October 23rd
- ▶ Specifically, the WTB is seeking public input on evaluation and prioritization criteria, and the process by which the WTB should make recommendations for funding from the NM Unit Fund



House Bill 200 Implementation

- ▶ To date, 74 public comments have been submitted, almost all of which come from residents of Catron, Grant, Hidalgo, and Luna counties
- ▶ Common themes among comments received thus far are:
 - any proposed water utilization projects should directly benefit residents in the Southwest Planning Region
 - the application process should be easy to navigate, and
 - concerns that smaller entities may not necessarily have the technical capacity to successfully engage in this process
- ▶ Commenters have an interest in water projects that are sustainable, address health and safety issues, provide adequate water storage, and do not have negative impacts on the environment.



HB 200 Public Comment

Commentors were asked to identify themselves by:

County residency

85% were Grant County residents

Remaining were from Catron (5%), Hildago (1%), Luna (1%), Santa Fe (1%), Sierra (1%), and Socorro (1%), Counties

Water user type

75% identified as domestic water users

15% identified as agriculture water users



HB 200 Public Comment

Commentors were asked to identify themselves by:

Organization Type:

- 50% Other (NGOs, residents, political leaders, businesses)
- 22% County
- 11% Municipality
- 5% Irrigation District
- 5% Mutual Domestic
- 3% Soil & Water Conservation District
- 1% each of Acequia, Public Water Utility, and Special District



HB 200 Public Comment

Commentors were asked to respond to a series of questions about how the evaluation and prioritization of the projects should take place. Specifically, should:

Evaluation mirror WTB? No. 80%

Operate on an annual application? Yes. 61%

Project/Entity cap on funding? No. 53%

Additionally, should priority be based upon:

Environmental impact? Yes. 82%

Economic benefit? Yes. 76%

Population Served? Yes. 72%



House Bill 200 Implementation

- ▶ For anyone interested in commenting on the implementation of HB 200, please use the form at the link found at:
<https://www.nmfinance.com/water-project-fund/>

**Public Comment Period:
September 8, 2021 - October 23, 2021**

