

New Mexico Unit Fund

Presentation to the
Interim Water and Natural Resources Committee

October 21, 2021

NM Interstate Stream Commission



Introduction

- NM Unit Fund: a fund in the New Mexico treasury
- Fund administered by the ISC
- The Unit Fund Act requires that the ISC report to the LFC and IWNRC every year by November 15 on:
 - ▣ Status of the Fund
 - ▣ Distribution of money to implement the purpose of the Fund
 - ▣ Proposed uses and levels of funding projected for the upcoming fiscal year

Brief History

3

- Unit Fund created by the NM Unit Fund Act, NMSA 1978, § 72-14-45
- Under the Laws of 2011, Chapter 99
- The 2004 Arizona Water Settlements Act (AWSA) provides \$66 million
 - ▣ Adjusted for inflation to \$90.38 million in 2012
 - ▣ 10 payments received and deposited into the Unit Fund since January 2012
 - ▣ In December 2020, the ISC requested a final adjustment to the 2012 indexing; discussions ongoing with U.S. Bureau of Reclamation

Status of Unit Fund as of 9/30/21

4

- Total received to date: \$90.38 M
- Total increase in market value of investments through the State Investment Council: \$21.54 M
- Total self-earning interest in the Unit Fund: \$1.26 M
- Total expended since FY2012:
 - ▣ NM Unit: \$13.92 M
 - ▣ Non-NM Unit project: \$8.07 M

- Current Balance: \$91.19 M

Distribution of Money since FY12

Breakdown of Cumulative Expenditures as of 9/30/21

		NM Unit <i>(in million dollars)</i>	Non-NM Unit <i>(in million dollars)</i>
NMISC administration		1.21	1.34
NMISC contractual expenses for its AWSA program	technical vetting and studies	4.94	0.44
	legal/litigation costs	0.74	0.00
	public outreach costs	0.06	0.03
NMISC sixteen Non-NM Unit projects expenses <i>(paid out of the \$9.1 million allocated by the Commission)</i>		N/A	6.26
Total payments to Reclamation for NM Unit NEPA <i>(November 2016 to June 2020)</i>		4.35	N/A
CAP Entity operating expenses <i>(since July 2015; to end in FY22 for the close-out/audit costs as approved by the Commission on 5/26/21)</i>		2.62	0.00
Total		13.92	8.07

Distribution of Money and Proposed Uses in FY22-23

6

Distribution of Money from the Unit Fund	Approved FY2022 Budget	Projected FY2023 Budget
NMISC's operating budget for its AWSA program	\$452,000	\$452,000 <i>(estimated)</i>
NMISC's contractual budget for its AWSA program	\$195,000	\$200,000 <i>(estimated)</i>
NMISC's grants to Non-NM Unit projects	\$2,836,481 set aside <i>(balance remaining from \$9.1M allocated by the Commission)</i>	
New Mexico CAP Entity's operating budget	\$19,300 <i>(close-out cost for audit approved by the Commission on 5/26/21)</i>	\$0

Summary

7

- The balance of the Unit Fund as of September 30, 2021: \$91.19 M
- The NMISC anticipates that expenditures in FY2023 will include:
 - ▣ NMISC's administration of its AWSA program, including:
 - Continuing supporting the existing and Non-NM Unit projects
 - Supporting development of other potential shovel-ready projects in consultation with the Water Trust Board
 - ▣ Obtaining technical or legal contractual services as necessary
 - ▣ Expenses related to the existing and ongoing Non-NM Unit projects

Thank you!

8

□ Questions?