

**MINUTES  
of the  
THIRD MEETING  
of the  
LAND GRANT COMMITTEE**

**August 28-29, 2018  
Tecolote Community Center  
Tecolote**

The third meeting of the 2018 interim of the Land Grant Committee was called to order by Senator Elizabeth "Liz" Stefanics, chair, on August 28, 2018 at 10:15 a.m. at the Tecolote Community Center in Tecolote.

**Present**

Sen. Elizabeth "Liz" Stefanics, Chair  
Rep. Miguel P. Garcia, Vice Chair  
Sen. Gregory A. Baca (8/28)  
Rep. David M. Gallegos  
Sen. Linda M. Lopez (8/28)  
Sen. Richard C. Martinez  
Sen. Bill B. O'Neill  
Sen. Cliff R. Pirtle (8/28)  
Rep. Debbie A. Rodella  
Rep. Tomás E. Salazar  
Rep. Christine Trujillo

**Advisory Members**

Rep. Alonzo Baldonado (8/28)  
Sen. Carlos R. Cisneros

**Absent**

Rep. Jimmie C. Hall  
Rep. Sarah Maestas Barnes  
Sen. Sander Rue

Rep. Eliseo Lee Alcon  
Rep. Harry Garcia  
Sen. Stuart Ingle  
Rep. D. Wonda Johnson  
Sen. Gay G. Kernan  
Rep. Derrick J. Lente  
Rep. Patricia A. Lundstrom  
Rep. Matthew McQueen  
Rep. Jim R. Trujillo  
Sen. James P. White

(Attendance dates are noted for members not present for the entire meeting.)

**Staff**

Mark Edwards, Drafter, Legislative Council Service (LCS)  
Anthony Montoya, Drafter, LCS  
Michelle Jaschke, Researcher, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts and other written testimony are in the meeting file and are posted on the legislature's website.

**Tuesday, August 28****Call to Order and Introductions**

Senator Stefanics welcomed the members of the committee and the audience and asked members and guests to introduce themselves.

**Tecolote Land Grant-Merced (Tecolote): Status Update**

Russell Pacheco, president, Tecolote, welcomed the members of the committee and audience and introduced himself and various members of the community and board of trustees of the land grant-merced. Mr. Pacheco discussed issues, programs and projects that Tecolote has planned or taken initial steps in accomplishing. Mr. Pacheco stated that one issue facing Tecolote is the lack of water, which is needed for the development of agricultural land. Mr. Pacheco believes that the development of a dam on Tecolote Creek could help alleviate this issue. The land grant-merced has also worked to restore Our Lady of Sorrows Church. A fire station has been built that serves the community and the nearby I-25 corridor. The community has created a youth boxing program. Mr. Pacheco stated that the goal is to not only make improvements for the current heirs but to improve livestock sustainability, agriculture and business development.

Mr. Pacheco explained that for the upcoming legislative session, the land grant-merced will be seeking funding for the development and construction of a dam, improvements to the community center and the construction of youth recreation areas. A previously built dam was destroyed by flooding. Mr. Pacheco stated that the land grant-merced donated the funds to hire a contractor to construct a wall or berm to act as a dam; however, it was unable to withstand flooding. Mr. Pacheco stated that the community attempted to receive funding through the Federal Emergency Management Agency (FEMA) but has not followed up on the current status of its requests. Mr. Pacheco estimates that the cost to engineer and build the dam would be over \$200,000.

Mr. Pacheco said that the Tecolote Community Center is attached to the historic schoolhouse, and renovations could allow the Tecolote board of trustees to hold meetings in the building. A member of the committee asked that the Tecolote board first ensure that the Las Vegas City Public School District does not have control over the schoolhouse property.

A member then asked Mr. Pacheco to elaborate on the history of the land grant-merced. Mr. Pacheco stated that the land grant patent was confirmed in 1903, and the land grant-merced

has faced legal challenges since that time. These challenges stem from a long-held dispute with the Montoya family, a family in the immediate area, he said. When the land grant patent was confirmed by the United States Congress, the Montoya family brought suit for portions of the land, arguing that the family had title. Tecolote settled these claims by transferring over 4,000 acres to the disputing family. These disputes resurfaced during the 1980s, when the Montoya family began fencing large areas of land and suit was filed once again. This suit culminated in the court determining that the Montoya family did have title to certain lands. Mr. Pacheco stated that the Tecolote board performed a cost-benefit analysis on disputing this ruling and determined that it was more economically feasible to allow the judgment to stand.

A member asked for clarification of when the grant was made, stating that 1903 would have been when the United States confirmed the patent. Additionally, the member requested that Mr. Pacheco discuss the resources available on the land. Mr. Pacheco stated that the grant was originally made in the 1830s and was for over 40,000 acres of land. Currently, the land grant-merced removes resources such as firewood, sandstone and gravel to generate funds. The land grant-merced also leases land for cell towers.

### **Crosscutting Issues for Acequias and Land Grants: Governance and Water Transfers**

The committee welcomed Paula Garcia, executive director, New Mexico Acequia Association (NMAA); Olivia Romo, NMAA; Enrique Romero, staff attorney, NMAA; and Andrea La Cruz-Crawford, attorney, The Streeper Firm LLC. Ms. Garcia provided a brief overview of land grant-merced and acequia history in New Mexico. She emphasized that although both land grants and acequia associations are political subdivisions, they are governed by different statutes; however, both have many similarities to local government, such as eligibility for state funding.

Ms. Garcia stated that one key issue facing these communities is the challenge of water transfers. Water is fully appropriated in New Mexico, which means that any new growth or development requires a transfer of water. The importance of water rights has placed pressure on land grants-mercedes and acequias to transfer their rights. Mr. Romero discussed a recent case involving the Acequia de Tecolote water transfer application. The application was denied due to a determination of detriment to the acequia and its members. Ms. Romo discussed another example involving the Manzano Spring and Torreon acequia associations. The NMAA assisted these associations in updating their bylaws and ensured that the associations retained water transfer authority during the process.

Mr. Romero then discussed a currently pending case involving a water transfer from the West Pecos Community Ditch to Strickland Ranch. He stated that this case has been contentious due to the implications that the water transfer could have on downstream communities. He stated that this case is still ongoing but is illustrative of the current disputes regarding acequias and water rights. The NMAA is working to protect existing water rights due to their importance to the community.

Committee members then raised several questions regarding the NMAA's recommendations and policy requests for the upcoming session. Ms. Garcia stated that there are multiple priorities for the NMAA. First, it supports funding the Office of the State Auditor with an additional \$300,000 to expand the availability of financial assistance for small political subdivisions by covering the cost of compliance with the tiered reporting system. Second, the NMAA requests that clarifying or amendatory action be taken for a bill passed in 2015 that permits the Office of the State Engineer to grant immediate use of a water lease, despite protests to the lease. If the protest prevails, the protestors are compensated. This law is now being applied to acequias as well, which the NMAA believes is improper. Third, the NMAA would like Senate Bill 86 (2017) to be reintroduced. Additionally, the state water plan is in the process of receiving public comments. The NMAA has submitted comments and is awaiting the outcome. It will keep the members of the committee informed on any developments.

### **New Mexico State University (NMSU) Business Acceleration Programs**

The committee welcomed Kathryn Hansen, director, Arrowhead Center, NMSU; Amanda Bradford, director, Innoventure, NMSU; and Carlos Murguía, a former participant in NMSU's incubator program. Ms. Hansen stated that the purpose of the incubator is to promote entrepreneurship and create economic opportunities.

The Arrowhead Center provides business incubator support for individuals statewide. The program serves students from kindergarten through college and other entrepreneurs through business accelerators. Ms. Bradford provided background on the Innoventure program. Innoventure is the branch of the Arrowhead Center focused on providing opportunities for children from kindergarten through grade 12. Innoventure holds camps that students can attend to build business skills and take part in innovation competitions. Mr. Murguía discussed his success while working with the incubator program and provided some personal background information. He said that while in his master's program at NMSU, he was able to use the Arrowhead Center to develop and market his product.

Committee members raised questions about how these incubators could specifically assist with economic development in land grant-merced communities. Ms. Hansen stated that the vision of the program is to help communities develop entrepreneurs who will build businesses with the resources they have available. Some members reiterated that they would like to see program specifics tailored for the resources available to land grant-merced communities, such as livestock and agriculture.

### **Farm Cooperative and Cultural Tourism Business Models**

Arturo Sandoval, founding director, Center of Southwest Culture, Inc., provided the committee with background information regarding the Center of Southwest Culture. He stated that the center was founded 25 years ago with a commitment to serve Native American and Hispanic communities through economic development. The center concentrates on developing two models of economic development: (1) organic farming models; and (2) cultural tourism models.

Mr. Sandoval stated that starting an organic farming cooperative is relatively inexpensive and uses the existing resources available on the land. This also provides the inhabitants of the land with job opportunities and the ability to own the business. The cultural tourism model, as Mr. Sandoval explained, provides the ability to monetize access to the land by providing tours, biking trails and cultural experiences that can bring in tourists. Ralph Vigil, board member and founder, Molino de la Isla Farmers' Cooperative, also provided the committee with his firsthand account of the organic farming cooperative model.

The committee raised questions about the process that communities would go through to develop a plan with the Center of Southwest Culture. Mr. Sandoval stated that communities usually contact him for assistance, then a basic feasibility assessment would be done on the land to determine what resources are available, such as water sources and available workers. This feasibility assessment helps determine whether the community would be able to successfully operate under the models. Mr. Sandoval stated that the center requires that the feasibility study show that the cooperative would be sustainable over a period of 10 to 20 years. After this, the center assists with incorporation of the business and establishing a business plan. Mr. Sandoval explained that the center is working to become self-sufficient and not rely on outside funding. There are no plans to request public funding, but he would ask that the legislature work toward expanding low-interest, long-term loans for community business plans.

### **Motions**

A motion was made to approve the minutes from the July 23-24, 2018 committee meeting. The motion was seconded and duly passed.

A motion was made to request that the Tecolote board of trustees meet with Arturo Archuleta of the Land Grant Council to create a projected proposal for the dam. The motion passed with no opposition.

### **Public Comment**

Brief comments were made by members of the public, thanking committee members for their attendance and urging them to continue their work on behalf of land grant-merced and acequia communities.

### **Wednesday, August 29**

#### **Technical Assistance for Economic Development, Land Use and Regulatory Processes in Land Grant Communities**

The committee welcomed Moises Gonzales, associate professor, School of Architecture and Planning, and director, Resource Center for Raza Planning, University of New Mexico. Mr. Gonzales explained that he works on issues from capacity planning to community development in communities across the state. In recent years, Mr. Gonzales has focused on partnerships with unincorporated communities, such as land grants-mercedes, acequia-based communities and

small municipalities. Mr. Gonzales also serves on the board of trustees for the Canon de Carnue Land Grant-Merced, commonly known as the Carnuel de Canyon Land Grant.

Mr. Gonzales stated that through performing asset-based assessments, individual land grants-mercedes can tailor strategies to foster economic development. Mr. Gonzales stated that common strategies include supporting local artisans, promoting ecotourism and developing businesses using existing buildings. The state is experiencing brain drain, where youth attain higher levels of education and leave the state. Land grants-mercedes are experiencing this at even higher levels. Mr. Gonzales believes that economic development in these areas is key to retaining the population.

Mr. Gonzales stated that land grants-mercedes have unique assets but lack the resources to develop those assets. One example he provided was the asset of established, although abandoned, buildings and facilities. He believes that these facilities could be used to open new businesses, thus providing products and economic opportunities to the surrounding areas. Mr. Gonzales stated that to develop and maintain these businesses, intergovernmental relationships and funding will be required. Arturo Archuleta, Land Grant Council, approached the committee and stated that these communities just need the capacity to determine what their assets are and how to develop economic strategies. This capacity issue can vary from lack of funding to lack of available time and labor of those in the communities.

Mr. Gonzales then discussed the importance of regulation in economic development. According to Mr. Gonzales, conflicts between local county zoning regulations and state regulations relating to land grants-mercedes cause confusion. Mr. Gonzales stated that centralizing the process to receive permits would encourage development.

Members of the committee discussed the sources of funding that would be used for creating asset assessments and development plans. Mr. Gonzales discussed private and public grants that have funded this work in the past. Mr. Archuleta also stated that there has been previous discussion regarding creating a fund, which would be a potential route for funding in the future.

### **Motions**

A motion was made to work in conjunction with the New Mexico Legislative Council to plan a trip to the Sangre de Cristo Land Grant-Merced for the next interim. Because this land grant-merced is located along the Colorado and New Mexico border, with the existing grant within the boundaries of Colorado, it would require out-of-state travel. The committee member wanted to establish as early as possible whether committee members would support this out-of-state travel request. The motion was duly passed.

**Tour**

Committee members toured the original church and a nearby morada in Tecolote. Members also visited Tecolote Creek and the previous site of the dam and acequia, which the land grant-merced wishes to reconstruct.

**Adjournment**

There being no further business before the committee, the meeting adjourned at 1:15 p.m.