

MINUTES
of the
FOURTH MEETING
of the
WATER AND NATURAL RESOURCES COMMITTEE

September 7, 2021
Corona Range and Livestock Research Center
Corona

September 8, 2021
State Capitol, House Chambers
Santa Fe

The fourth meeting of the Water and Natural Resources Committee was called to order by Senator Elizabeth "Liz" Stefanics, chair, on September 7, 2021 at 10:00 a.m. at the Corona Range and Livestock Research Center (CRLRC) in Corona.

Present

Sen. Elizabeth "Liz" Stefanics, Chair
Rep. Matthew McQueen, Co-Vice Chair (9/8)
Rep. Gail Armstrong
Sen. Pete Campos
Sen. Stuart Ingle (9/8)
Rep. Tara L. Lujan
Rep. Marian Matthews (9/8)
Rep. Kristina Ortez (9/8)
Rep. Larry R. Scott (9/8)
Sen. Benny Shendo, Jr.
Sen. Jeff Steinborn (9/8)
Rep. Candie G. Sweetser
Rep. Martin R. Zamora

Absent

Rep. Derrick J. Lente, Co-Vice Chair
Sen. Joseph Cervantes
Sen. David M. Gallegos
Rep. Susan K. Herrera
Rep. James R.J. Strickler
Sen. Pat Woods

Advisory Members

Sen. Crystal R. Diamond (9/8)
Sen. Ron Griggs (9/7)
Sen. Linda M. Lopez (9/8)
Sen. Gerald Ortiz y Pino (9/7)
Sen. Shannon D. Pinto (9/7)
Rep. Andrea Romero (9/8)
Rep. Patricia Roybal Caballero
Rep. Debra M. Sariñana
Sen. Antoinette Sedillo Lopez
Sen. Peter Wirth

Rep. Jack Chatfield
Rep. Rebecca Dow
Rep. Candy Spence Ezzell
Sen. Carrie Hamblen
Rep. T. Ryan Lane
Rep. Raymundo Lara
Rep. Rod Montoya
Rep. Roger E. Montoya
Rep. Greg Nibert
Rep. William "Bill" R. Rehm
Rep. G. Andrés Romero

Rep. Angelica Rubio
Sen. Joshua A. Sanchez
Rep. Nathan P. Small
Sen. Mimi Stewart

Guest Legislator

Sen. Harold Pope (9/8)

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

Staff

Shawna Casebier, Legislative Council Service (LCS)

Tom Kricka, LCS

Ariel MacMillan-Sanchez, LCS

Sara Wiedmaier, LCS

Erin Bond, LCS

Guests

The guest list is in the meeting file.

Handouts

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

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting. Please note that the webcast of this meeting is only available for September 8, 2021.

Tuesday, September 7 — Corona

Welcome and Introductions

Senator Stefanics welcomed everyone to the meeting, and committee members and LCS staff introduced themselves.

Welcome and Overview of the CRLRC

Shad Cox, superintendent, CRLRC, New Mexico State University (NMSU), welcomed the committee and presented an overview of the CRLRC.

Mr. Cox explained that the CRLRC is a large working ranch laboratory that incorporates research and graduate student programs to research numerous topics, including: range

management and ecology; wildlife management and ecology; brush and invasive plant management; livestock management; wildlife reproduction and nutrition; infrastructure initiatives; clean energy initiatives; and outreach initiatives for the Southwest Center for Rangeland Sustainability. Mr. Cox discussed current major grant submissions, infrastructure initiatives and clean energy initiatives that include projects for remote sensing, digital agriculture, precision agriculture and wind and solar energy generation. The handout for the presentation can be found here:

<https://www.nmlegis.gov/handouts/WNR%20090721%20Item%201%20Corona%20Range%20and%20Livestock%20Research%20Center.pdf>.

Questions and comments from committee members included the following topics:

- the possible adverse effects of electromagnetic fields on livestock and crops and the lack of research on these issues;
- water quality issues that increase wear on infrastructure and decrease livestock productivity;
- student research projects at the CRLRC;
- how the CRLRC coordinates with scientists, students and governmental and nongovernmental organizations to seek grants through its grant office;
- how the CRLRC meets its operational funding needs through the sale of livestock;
- the CRLRC's clean energy initiative and partnership with Pattern Energy on the Western Spirit Wind Project;
- funding needed for infrastructure improvements;
- control of one-seed juniper saplings; and
- collaboration with the United States Department of Agriculture.

Drought Effects and Economic Impacts on Beef Cattle and Ranching

Dr. Eric Scholljegerdes, associate professor, Department of Animal and Range Sciences, College of Agricultural, Consumer and Environmental Sciences (ACES), NMSU, and Dr. Jay Lillywhite, department head and professor, Department of Agricultural Economics and Agricultural Business, ACES, NMSU, discussed the effects of drought on livestock and the economic effects of drought on the beef cattle and ranching industry.

Dr. Scholljegerdes explained that the impacts of drought include declines in long-term forage quality and quantity and an overall decrease in water quality. He noted that to adapt to drought conditions, a rancher may wean offspring early, provide dietary supplements for nursing calves and cull low productivity animals. Dr. Scholljegerdes discussed the importance of breeding cows early in the breeding season because these calves tend to have more weight and longevity, and early breeding allows for earlier subsequent pregnancy. Dr. Scholljegerdes

concluded that drought conditions decrease animal growth, increase the cost of production, decrease prices for calves and increase the cost of cattle when restocking. The handout for the presentation can be found here:

<https://www.nmlegis.gov/handouts/WNR%20090721%20Item%202%20Drought%20Effects%20on%20Livestock.pdf>.

Dr. Lillywhite explained that beef livestock make up a significant part of agriculture in the state, contributing \$491.6 million to the state gross domestic product and providing 9,841 jobs. When multiplying effects are taken into account, beef livestock contributes \$724 million in state gross domestic product and 12,979 jobs. He stated that drought drives a cattle cycle in which drought leads to less grass, which leads to increased hay use, which increases the price of hay, reducing cash flow for the operation and resulting in reduced herd size. Dr. Lillywhite discussed the impact of drought on herd liquidation and stated that beef slaughter is up 8.7% since August 2020 and that the liquidation of herds is up to 1% of the total herd, up from .5% of the total herd in August 2020. The handout for the presentation can be found here:

<https://www.nmlegis.gov/handouts/WNR%20090721%20Item%202%20Economic%20Impacts%20of%20Drought%20on%20NM%20Livestock.pdf>.

Questions and comments from committee members included the following:

- the amount of sulfur and total dissolved solids in water used by the CRLRC and the impact of water quality on ranching and water infrastructure;
- the CRLRC does not raise organically certified cattle because the supplements used are not organic;
- the CRLRC sells most of its cattle to Roswell, Clovis and Texas;
- the resilience of New Mexico cows to drought conditions that has resulted from generations of selective breeding;
- in response to a question by a committee member, the panel stated that hemp is not suitable for use in livestock feed at this time; and
- ranchers that are under financial stress from drought can submit a claim for relief through a federal program, although a lack of rain gauges means that many areas in the state do not have access to accurate measurements of rainfall, which could hinder efforts to obtain relief funding.

Upper Watershed Health Effects on Downstream Users

Dr. Connie Maxwell, postdoctoral researcher and lead, New Mexico Water Resources Research Institute Water and Community Collaboration Lab, NMSU, discussed the effects of upper watershed health on downstream users.

Dr. Maxwell explained that the encroachment of woody plants into grasslands and savannas results in reduced grasslands and increased fuel loads that create more severe wildfires

and alter the hydrology of the area by reducing infiltration and increasing erosion and sediment. She presented three studies showing that the thinning of woody plants increased grass cover with no significant effect on annual water runoff. Dr. Maxwell stated that acequia irrigation systems management mimics natural riparian systems and delays spring runoff. Lastly, Dr. Maxwell presented some issues identified by stakeholders regarding watershed health, including: concerns about increased erosion and flooding from degraded upper watersheds; the impacts of water scarcity and aquifer depletion; concerns about urban development in arroyo flow zones; the need for increased coordination among stakeholders to achieve goals and reduce conflict; and the success of coordinated watershed planning efforts in the Organ Mountains-Desert Peaks National Monument. The handout for the presentation can be found here:

<https://www.nmlegis.gov/handouts/WNR%20090721%20Item%203%20Upper%20Watershed%20Health%20Effects%20on%20Downstream%20Users.pdf>

Questions and comments from committee members included the following topics:

- the number of entities that are working together in southern New Mexico on watershed restoration;
- the strategy of using storm water runoff to recharge aquifers; and
- the role of healthy soils in watershed health.

Briefing from Pattern Energy and Overview of Western Spirit Wind Project

Jeremy Turner, director, New Mexico Project Development, Pattern Energy; Crystal Coffman, director, Business Development, Pattern Energy; and Marco Gonzales, New Mexico registered lobbyist, Pattern Energy, discussed Pattern Energy's operations and presented an overview of the Western Spirit Wind Project.

The panel discussed Pattern Energy's investment in the state and its major projects, including the Western Spirit Transmission Project and the Western Spirit Wind Project, which generate and transmit energy from southeast New Mexico to substations in Albuquerque and Clines Corners, respectively. The panel explained that construction of the Western Spirit transmission line will be finished by the end of the year and then ownership of the transmission line will be transferred to Public Service Company of New Mexico. The panel also discussed the SunZia Wind Project that began in 2016 and is scheduled for completion in 2025. The handouts for the presentation can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=9/7/2021&ItemNumber=4>.

Questions and comments from committee members included the following topics:

- the protection of cultural and biological resources that could be affected by the construction of transmission lines;

- the amount of energy that is used in New Mexico compared to the amount that is sold out of state;
- Pattern Energy does not have the power of eminent domain, but entities it works with, including the New Mexico Renewable Energy Transmission Authority, do;
- the development of the SunZia transmission line in White Sands;
- recycling of turbine blades;
- how taxing renewable energy is different from taxing oil and gas;
- a comment about a constituent who sees energy transmission lines being built nearby but does not have power in their home; and
- adjustments to bonding amounts.

Tour of Western Spirit Wind Project

The committee toured part of the Western Spirit Wind Project being developed on the land of the CRLRC.

Recess

The meeting recessed at 4:30 p.m.

Wednesday, September 8 — Santa Fe

Reconvene

Representative McQueen reconvened the meeting at 9:15 a.m.

State Parks Updates and Initiatives (9:17 a.m.)

Toby Velasquez, director, State Parks Division, Energy, Minerals and Natural Resources Department, presented an update on state parks and discussed some state park initiatives. The handout for the presentation can be found here:

<https://www.nmlegis.gov/handouts/WNR%20090721%20Item%205%20State%20Parks%20Presentation.pdf>.

Approval of Minutes (10:13 a.m.)

On a motion made, seconded and duly passed, the minutes of the committee's August 12-13, 2021 meeting were approved as submitted.

Water Governance Opportunities and Imperatives (10:15 a.m.)

Paul Hultin, water lawyer, Santa Fe; Kyle Harwood, partner, Egolf + Ferlic + Martinez + Harwood, LLC; Stacy Timmons, associate director, Hydrogeology Programs, Bureau of Geology and Mineral Resources, New Mexico Institute of Mining and Technology; and Theresa Cardenas,

policy manager, New Mexico First, presented on water governance opportunities and imperatives. The handouts for the presentation can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=9/7/2021&ItemNumber=6>.

Water Importation in Southeast New Mexico (12:08 p.m.)

Michael Skarke, executive vice president and chief operating officer, Water Infrastructure, Select Energy Services; Greg Ridgley, general counsel, Office of the State Engineer (OSE); and John Romero, director, Water Rights Division, OSE, discussed the importation of water in southeastern New Mexico. The handout for the presentation can be found here:

<https://www.nmlegis.gov/handouts/WNR%20090721%20Item%207%20Select%20Energy%20Services.pdf>.

Public Comment (1:01 p.m.)

A list of individuals making public comment is available in the meeting file.

Pecos River Updates (1:36 p.m.)

Mr. Ridgley; Hannah Riseley-White, deputy director, Interstate Stream Commission (ISC), OSE; Nat Chakeres, deputy general counsel, OSE; and Frank Scott, Pecos River basin manager, ISC, OSE, provided the committee with an update on issues pertaining to the Pecos River.

Proposed Green Amendment (2:41 p.m.)

Maya K. van Rossum, founder, Green Amendments for the Generations Movement, and Terry Sloan, director, Southwest Native Cultures, discussed a proposed green amendment to the Constitution of New Mexico. The handouts for the presentation can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=9/7/2021&ItemNumber=9>.

Discussion of Stream Access (4:04 p.m.)

Joanna Prukop, former secretary of energy, minerals and natural resources, and former chair, State Game Commission; Lesli Allison, executive director, Western Landowners Alliance; Frank Adelo, co-founder and president, Upper Pecos Watershed Association; Robert Levin, New Mexico state director, American Canoe Association; and Steve Harris, public affairs director,

New Mexico River Outfitters Association, discussed the history and current status of stream access in the state. The handouts for the presentation can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=WNR&Date=9/7/2021&ItemNumber=10>.

Adjournment

There being no further business before the committee, the meeting adjourned at 5:12 p.m.