



# ARIZONA WATER SETTLEMENTS ACT: Implementation in the State of New Mexico, Then and Now

**April 15, 2025**

Water Leaders Workshop, Silver City



# AWSA: NMISC's Major Decisions

	Decision	Date
NM Unit	Notifies Reclamation of intent to pursue construction of a NM Unit	November 2014
	Requests to be “joint lead” with Reclamation in the National Environmental Policy Act (NEPA) process related to the NM Unit	February 2015
	Publication of Draft Environmental Impact Statement for NM Unit	December 2019
	Commission Votes Not to Proceed with NEPA process	June 2020
	Issues Notice of Termination of Funding Agreement for NEPA process	October 2020
Non-NM Unit	Allocates funding to other water utilization projects in SW NM	2014-2016
Unit Fund	Administers the “New Mexico Unit Fund”	Ongoing since 2011

# What Are Non-NM Unit Projects?



Section 212(i) of the AWSA authorizes the NMISC to fund the NM Unit or any water utilization projects:

to meet water supply demands in Catron, Grant, Hidalgo, and Luna Counties

using funds in the NM Unit Fund in consultation with SWNM Water Study Group or its successor (now the Water Trust Board).

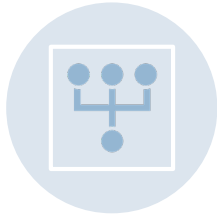


Non-NM Unit Projects are often referred to as non-diversion projects. The NM Unit Project was a proposed diversion project with off-stream storage.



No deadline in the Act to fund such projects

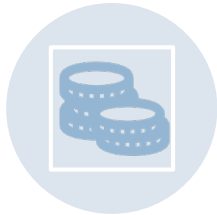
# Previous Non-NM Unit Project Process



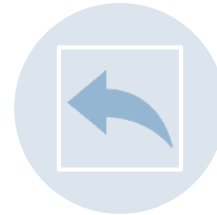
2010-2014: NMISC developed a two-tier process to screen and evaluate 45 local stakeholders' proposals



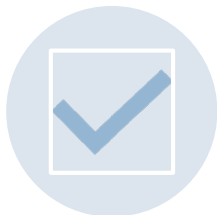
2014-2016: NMISC allocated \$9.1 million to 16 projects



Only 70% of \$9.1 million spent



8 projects complete, 6 projects on hold or not operational, 2 projects abandoned



In 2024 NMISC allowed 3 grantees to reallocate the remaining portion of their prior allocation to new projects



# Previous Non-NM Unit Project Challenges

Projects submitted were not “shovel ready” as specified in the funding opportunity

Fiscal agent needed because grantee not eligible to receive state funds

Delays related federal environmental clearance (for work in federal lands)

Necessary permits from federal/state permitting agencies not acquired by grantees

Necessary easements, access agreements, etc. not acquired by grantees

Grantee did not provide sufficient documentation to the NMISC for execution of a funding agreement or an amendment

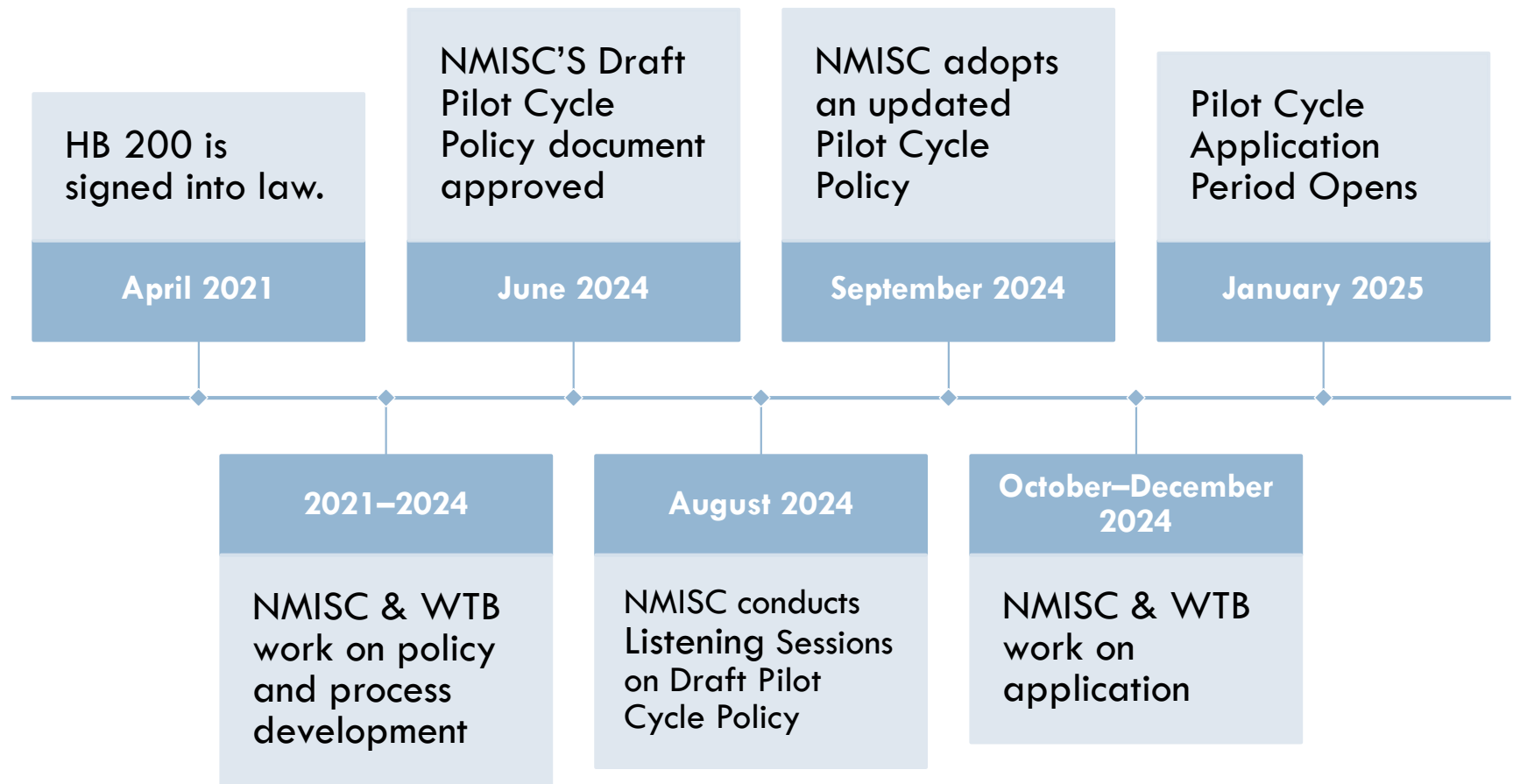
Grantee did not have in-house resources to implement the project

Grantee's prolonged third-party contracting process (did not have Certified Procurement Officer, engineer's contract had expired, received no proposals, etc.)

Grantee encountered technical issues during design and/or construction

Grantee did not provide sufficient documentation to the NMISC for payment purposes

# HB 200: Where We Are Now



# NM Unit Fund Pilot Funding Cycle



Pilot Cycle Funding Policy and Factsheet were not as clear as we thought they were. Questions received on:

Applicant eligibility  
Project eligibility



Request from The Nature Conservancy that NGO's be allowed to be fiscal sponsors for future funding rounds



Tremendous Response to Pilot Cycle

21 project applications  
Some entities submitted for multiple projects

# Where Do We Go from Here?



As of September 30, 2024 we have \$118.32 million in the NM Unit Fund.



How can this money be used to:

fund effective projects that meet water utilization and supply demands?

increase local capacity and build resiliency?



2025 Funding Opportunity

Planned for late 2025

Will include construction funding



# Questions?



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