

Federal Funding Opportunities and State Budget Priorities

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Overview of New Mexico Integrated Water Financing Plan

- Partners include Western States Water Council, the Western Federal Agency Support Team (16 federal agencies), state, and private entities in New Mexico
- Project goal to **maximize federal funding and resources** invested in New Mexico's water resources to help implement water action priorities
- Once complete, will share lessons learned with New Mexico stakeholders and with other western states
- Project timeline: Dec. 2023 – Nov. 2024



FACING NEW MEXICO'S 21ST CENTURY
WATER
 CHALLENGES

50-YEAR
WATER ACTION PLAN

**New Mexico Integrated
 Water Financing Plan
 Demonstration Activities**

Community drinking water,
 wastewater and
 stormwater infrastructure
 capacity and finance

Water Conservation



Accelerating Small
 Community Drinking
 Water System
 Regionalization

Water resources
 management and planning

New Water Supplies



Aquifer Mapping and
 Monitoring

River, aquifer, and
 watershed health

Water and Watershed
 Protection



Ribbons of Life: Upper
 Rio Grande Riparian
 Restoration and
 Conservation



NM Integrated Water Financing Plan Scope



- Conducted surveys and held online workshops:
- Individual interviews with over 50 people
- Reviewed existing state plans:
 - Water Task Force Report
 - 50-Year Water Action Plan
 - Intended Use Plans (for State Revolving Funds)
 - State Forest Action Plan
 - Nonpoint Source Plan
 - State Hazard Mitigation Plan
 - Climate Strategy Report
 - Acequia Water Planning Working Group recommendations
 - Tribal Water Working Group recommendations
- Reviewed dozens of suggested programs, projects and initiatives to select three demonstration activities for the Plan: 1) Small drinking water system regionalization; 2) Aquifer monitoring and mapping; and 3) Riparian and watershed health



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Activity 1: Accelerating Small Community Drinking Water System Regionalization

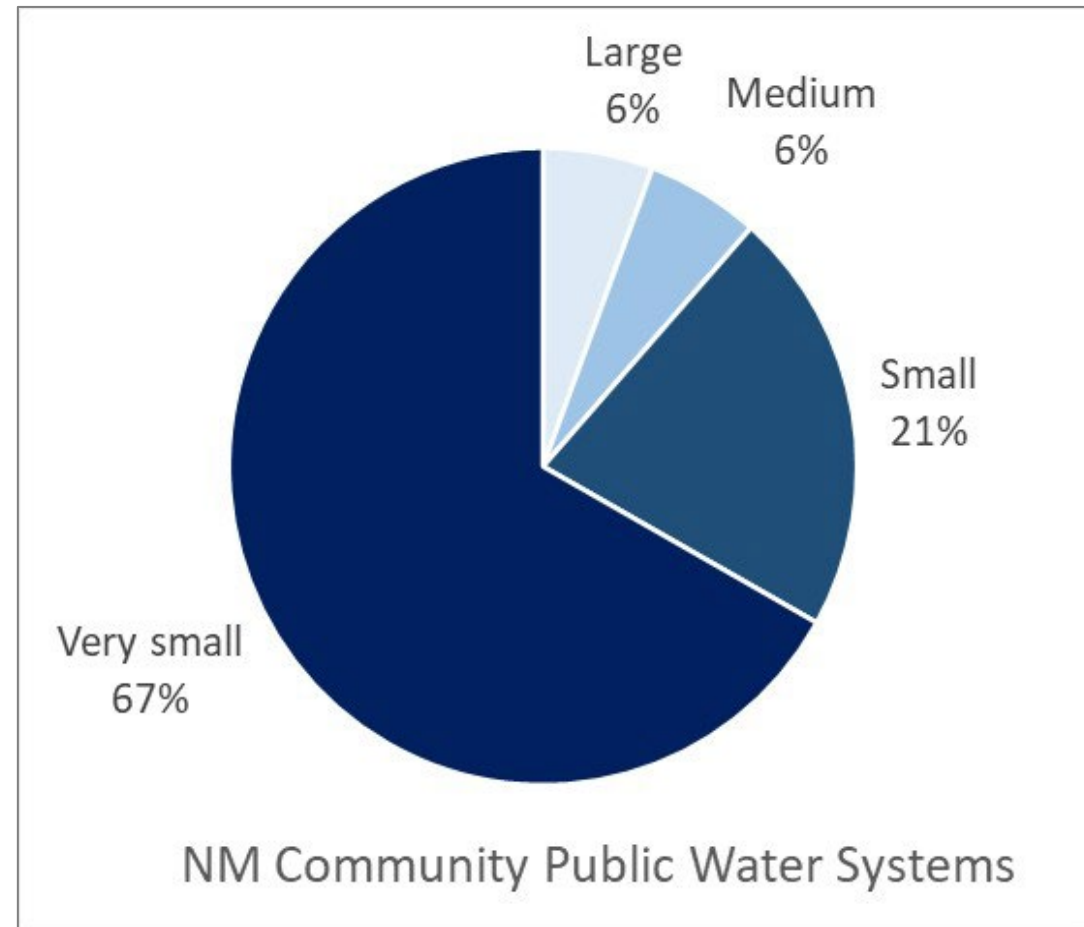
Challenges:

Acute water shortages and aging infrastructure in small communities threaten public health, constrain economic development, and contribute to inefficiencies.

Regionalization requires high levels of initial investment.

Difficult to finance with traditional loan funds due the high cost per household.

Technical and administrative capacity constraints are significant.



Activity 1: Accelerating Small Community Drinking Water System Regionalization

NEED
\$400
MILLION+

NM Regional Water Plans identified 18 drinking water infrastructure projects

Projects ready to apply total at least \$200M

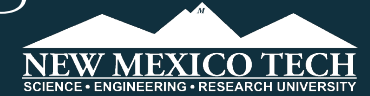
Significant need not yet quantified



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Activity 2: Aquifer Mapping and Monitoring



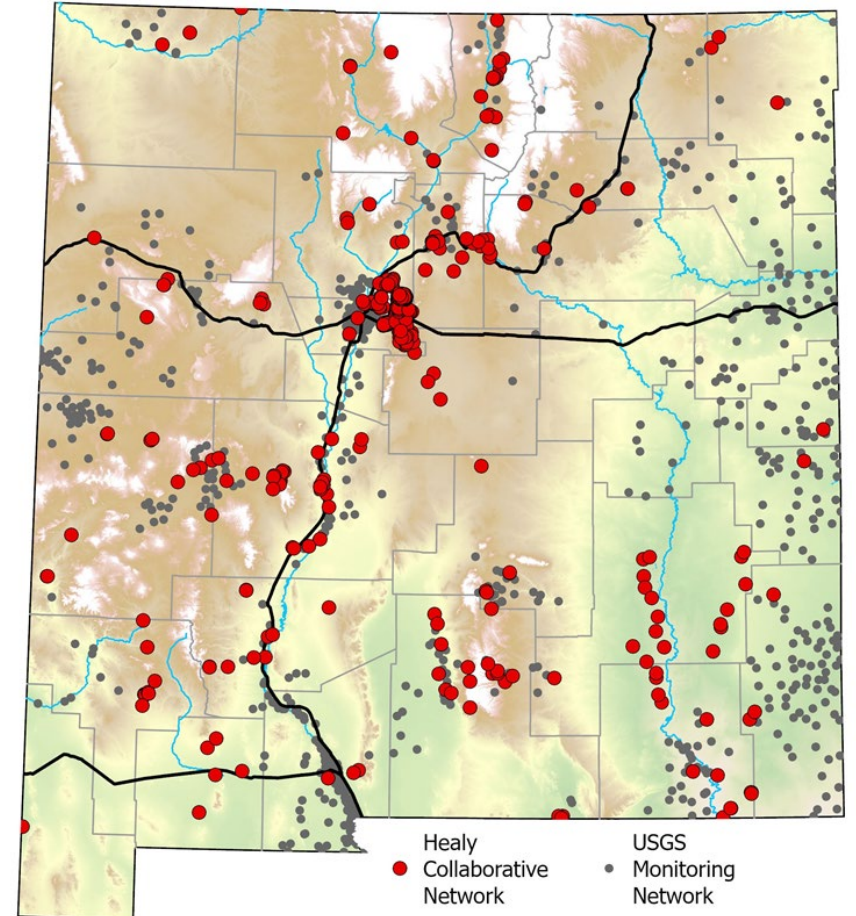
Challenge:

- Groundwater level monitoring coverage of the state is insufficient.
- Comprehensive groundwater management requires an integrated statewide monitoring and data management system.

Why NM Needs Improved Aquifer Characterization and Monitoring:

- Protection of groundwater quality
- Climate related hazard mitigation
- Informed decision making for alternative water resources, desalination options, and regionalization
- Identifying aquifer recharge potential areas

Goal: Map all aquifers by 2037, including 100+ new monitoring wells



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Activity 2: Aquifer Mapping and Monitoring

NEED
\$175
MILLION
(12 YEARS)

Drill 100 Exploration Wells

Surveys, Contracts, Sample Analyses

Build Statewide Groundwater Monitoring Network



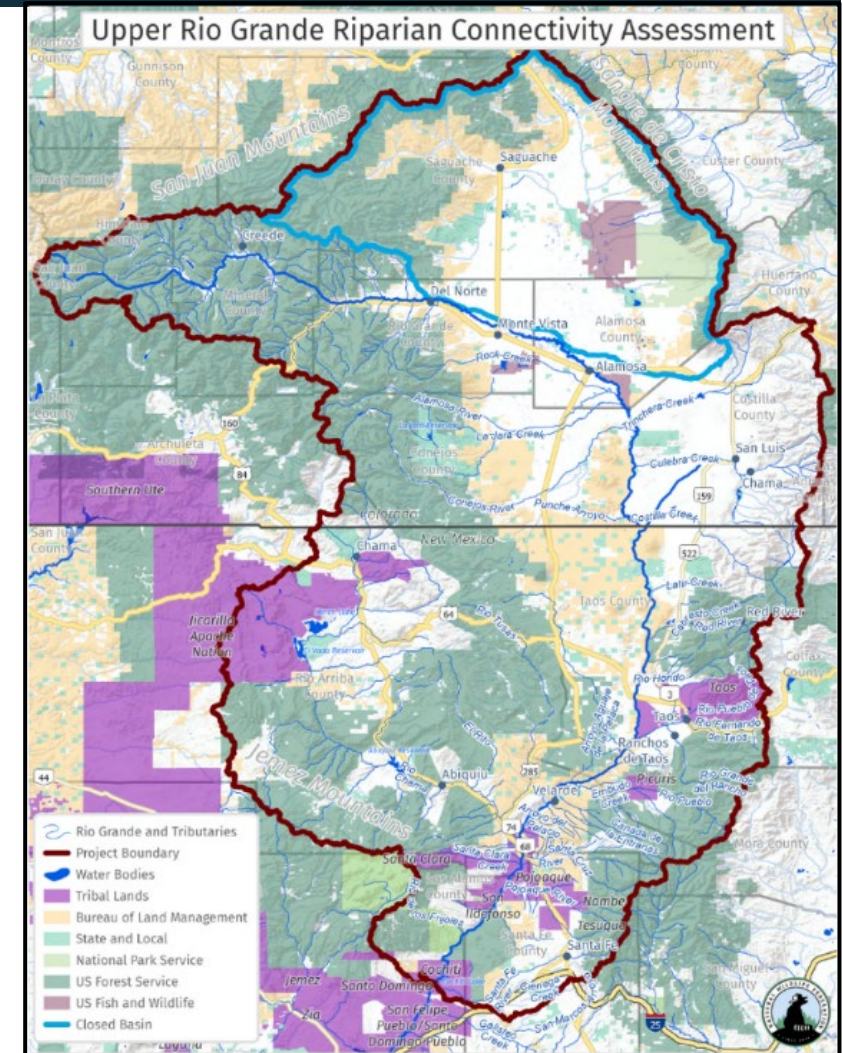
Activity 3: Upper Rio Grande Basin Riparian Conservation, Restoration, and Watershed Health Initiative

CHALLENGES:

- Upper Rio Grande Basin riparian health is critical to protecting ecosystem functions and water supply.
- Extensive planning includes a geospatial database of riparian restoration potential across 2,000+ miles of stream, coalition building, and assessment of projects and needs.

RIBBONS OF LIFE GOALS:

- Accelerated restoration of riparian and wetland areas
- Increased fire resilience of landscapes
- Improved hydrologic function
- Reduced risks to water supply
- Tribal and Pueblo engagement and leadership



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Activity 3: Upper Rio Grande Basin Riparian Conservation, Restoration, and Watershed Health Initiative

NEED
\$11
MILLION++

Strengthen coalition of partners

Known on-the-ground projects (stream restoration, fish passage, noxious weed management)

Significant need not yet quantified



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Promising Federal Funding Strategies

Accelerating Small Community Drinking Water Regionalization

Accessing more grants to leverage existing loan funds

Additional loan programs

Statewide Aquifer Mapping and Monitoring

Aquifer specific funding (ASR, desal, Ogallala)

In-kind agency resources

Ribbons of Life: Upper Rio Grande Riparian Restoration and Conservation

Federal funding tied to watershed designations

Federal grants not typically used for restoration activities

Recurring resource specific implementation funding

Funding for coalition building



State Funding Priorities for Water



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50YWAP Refresher: 11 Priority Actions

WHAT WE ARE DOING TO INCREASE WATER SECURITY:

50-Year Water Action Plan.

The Water Plan actions will help address the reality of a reduced supply in the future.

Water Conservation

EST. IMPACT:
660,000 AF PER YEAR

- | | |
|---|---|
| A1 Develop a public education campaign | A3 Reduce leaks in drinking water infrastructure and increase municipal conservation |
| A2 Incentivise agricultural water conservation | A4 Improve water storage and delivery systems |

New Water Supplies

EST. IMPACT:
150,000 AF PER YEAR

- | | |
|--|---|
| B1 Establish a \$500M strategic water supply to spur investments in desalination and wastewater treatment | B2 Adopt policies to expand potable and nonpotable water reuse |
| | B3 Improve groundwater mapping and monitoring |

Water and Watershed Protection

- | | |
|---|---|
| C1 Cleanup contaminated groundwater sites | C3 Modernize wastewater treatment plants and stormwater infrastructure |
| C2 Protect surface water by controlling pollution through a discharge permitting program | C4 Protect and restore watersheds |

3

- For each action, the Plan provides a short synopsis, immediate next steps, and a measurable target Return on Investment.
- Work is ongoing among agencies and with partners to develop funding strategies to aid implementation



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Agency Requests for Water Funding

- Agency base budgets include some recurring funding to support implementation of the 50-Year Water Action Plan
- Recent agency requests for nonrecurring funding related to 50YWAP implementation include:
 - Strategic Water Supply
 - Cleanup neglected contaminated sites and Superfund sites
 - Indian Water Rights Settlements
 - Water data



Considerations for Future Water Funding

- Identify funding needs (how much?)
- Evaluate existing funds or creation of new fund (where does it live?)
- Determine model and mechanics for administering funds (who manages it?)
- Analyze revenue sources (money from where?)

Objective: Support transformational investments in water programs in alignment with the [50-Year Water Action Plan](#), [2023 Water Security Planning Act](#), and [NM Water Data Initiative](#) in the near-term and generate sustained revenue for the long-term.

