

# Water and Natural Resources Committee

## Implementing the NM Cannabis Regulation Act

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# CANNABIS REGULATION ACT – WATER USE

- The Act requires the Office of the State Engineer, through its Water Rights Administration Program (WRAP), to pre-certify that producers have valid water rights specific to the “commercial” uses of water rights as a pre-condition for licensed cannabis production.
- The OSE worked closely with the Regulating and Licensing Department (RLD) through its Cannabis Control Division (CCD) to help develop the procedures for meeting this requirement of the Act.
- The OSE worked closely with RLD on the Cannabis Water Rights Review Accession Form that is used today by applicants to show valid water rights for cannabis growing.
- OSE started receiving RLD/CCD “Cannabis Water Right Accession Review Forms” on September 1, 2021, for water right validation reviews.
- The numerous water rights reviews and validations required has impacted the normal water rights administration workload in all 7 District offices and has created a need for additional compliance and enforcement resources.

# CANNABIS WATER RIGHTS CASE STUDY FOR EXISTING AG WATER USE

- Example: existing irrigation right on a 10-acre farm has a right to divert 50 acre-feet of water per year, and to consume 25 acre-feet of water per year.
- If the owner wants to use a greenhouse to grow crops (including cannabis), the owner must apply to change the right to a commercial purpose of use with a right to divert 25 acre-feet of water per year and consume 25 acre-feet of water per year.

# CANNABIS GOLD AT THE END OF THE RAINBOW?

Several issues have come up on the determination of the validity of water rights for commercial production.

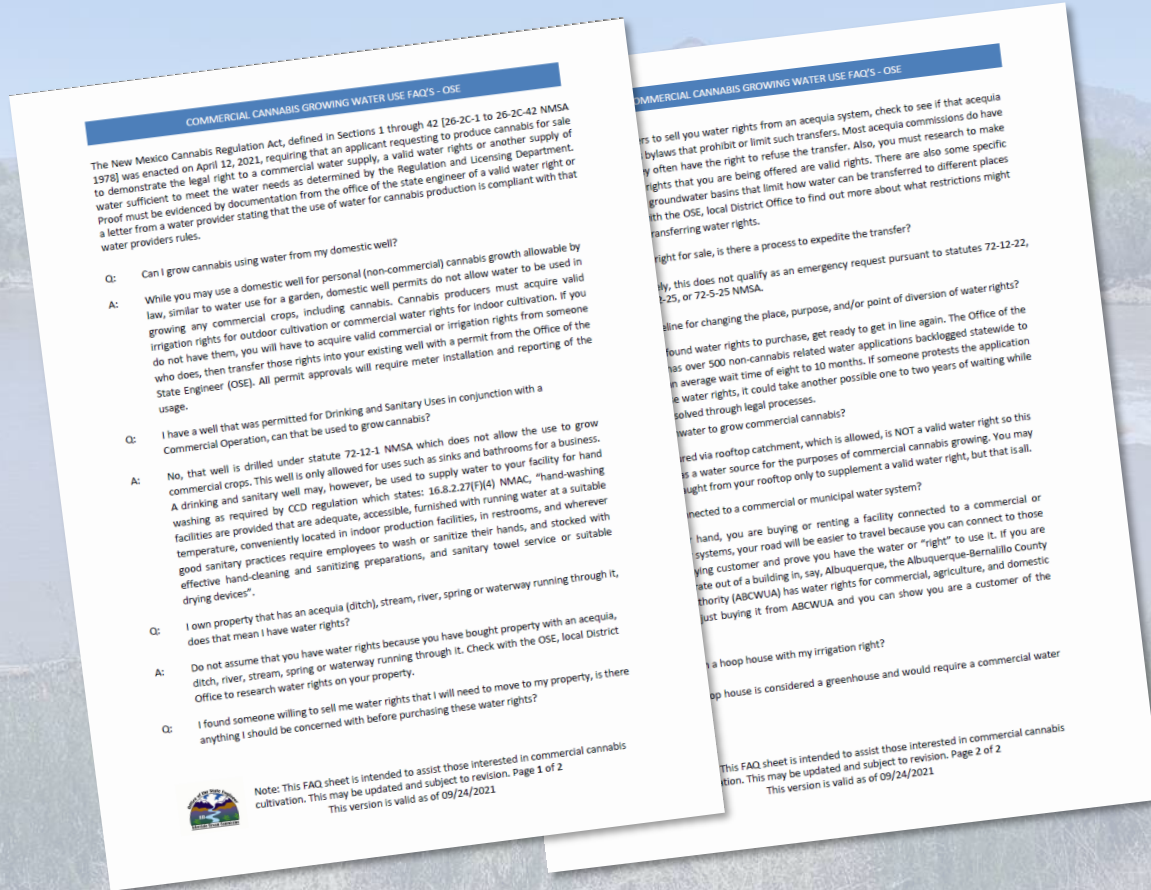
- Surface water farm use transferred to pressurized commercial use (greenhouse) requires a new permit.
- Municipalities and mutual domestics
  - Can provide water from their system if they have capacity and use is within their service areas.
- Private Domestic Wells
  - Wells must have a commercial water right so domestic well water use is not allowed
- Water hauling is being approved as a temporary source outside of State Engineer review.





# MORE INFO ON THE OSE WEBSITE

<https://www.ose.state.nm.us/WR/cannabis.php>





# STATISTICS ON OSE WATER RIGHTS REVIEWS

