

Water and Natural Resources Committee

New Mexico Unit Fund

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BACKGROUND

The 2004 Arizona Water Settlements Act (AWSA) provided \$66 million to be deposited into a “New Mexico Unit Fund, a State of New Mexico Fund established and administered by the NMISC” (Public Law 108-451 Section 212).

- *to be adjusted for inflation,*
- *In 2011, the “NM Unit Fund” was created in the New Mexico treasury (NM Unit Fund Act. NMSA 1978, Section 72-14-45)*

In 2012, the AWSA amount was adjusted (indexed) for inflation to provide \$90.38 million to the NM Unit Fund.

NM Unit Fund

- *10 payments received and deposited into the Unit Fund between January 2012 and January 2021*

In December 2020, the ISC requested Reclamation provide a final adjustment to the 2012 indexing; discussions ongoing.

NM UNIT FUND STATUS

Balance of the NM Unit Fund as of July 2022: \$85.6M

The market value of investments has decreased about \$6M since September of last year due to the recent downturn in stock market

The ISC expects a final re-indexing to occur in FY23, which may add more funds to the Unit Fund.

Doing so will require reaching agreement with Reclamation and receiving approval by the Interstate Stream Commission

The ISC's 2022 Annual Unit Fund Report with updated numbers will be submitted to the LFC and IWNRC by November 15th, 2022, per the NM Unit Fund Act



STATUS OF “NON-NM UNIT PROJECTS”

In the mid-2010s, the Interstate Stream Commission awarded \$9.1M from the NM Unit Fund for 16 water utilization projects in the Southwestern 4 County Region of New Mexico – Catron, Hidalgo, Luna, and Grant.

To date:

- 8 projects are complete
- 7 projects are on hold being re-assessed, or have been ended without being completed
- 1 project is ongoing

ISC staff continue to provide technical assistance/support for the projects that are on hold and the ongoing project.

UPDATE ON HB200 PROCESS

The NMISC and WTB leaderships are working conjunctively to establish a process that will address the WTB's obligations pursuant to HB200, as well as the obligations, requirements and needs of the NMISC pursuant to the AWSA.

The ISC and NMFA (as the administrative arm of the WTB) have been discussing how to establish a vetting process that would adequately address both agencies' roles and needs.

There are gaps identified to do so including authorities, capacity, and resources.

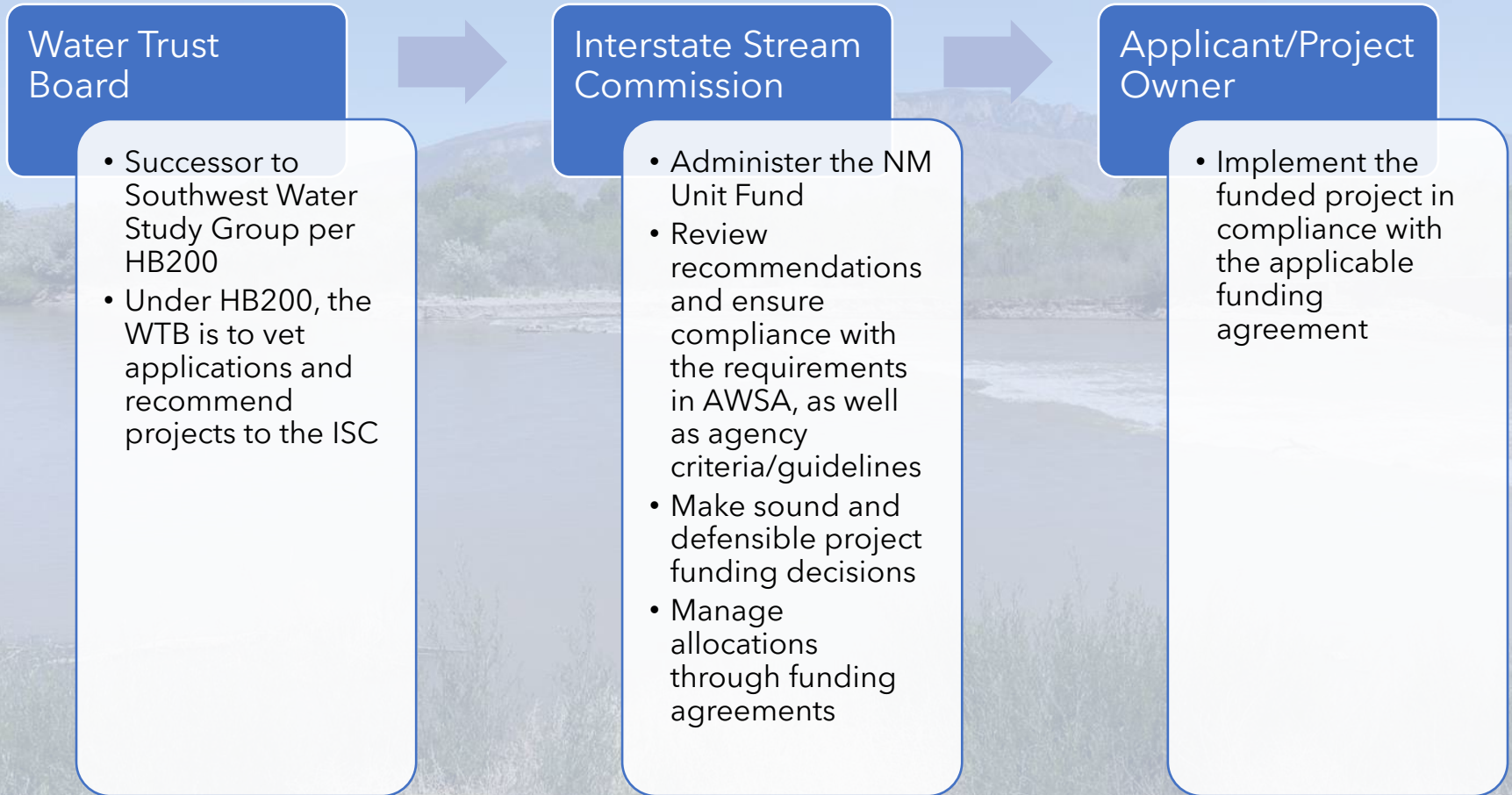
Filling those gaps may require:

- Participation by other state agencies that have institutional experience and expertise on water utilization projects
- Obtaining additional technical support (e.g., through third-party contractors) to augment staff shortages



OVERALL ROLES & RESPONSIBILITIES

HB200 & AWSA



QUESTIONS?

