



Achieving the Potential of the Strategic Water Reserve

Kristina G. Fisher, Associate Director, Think New Mexico

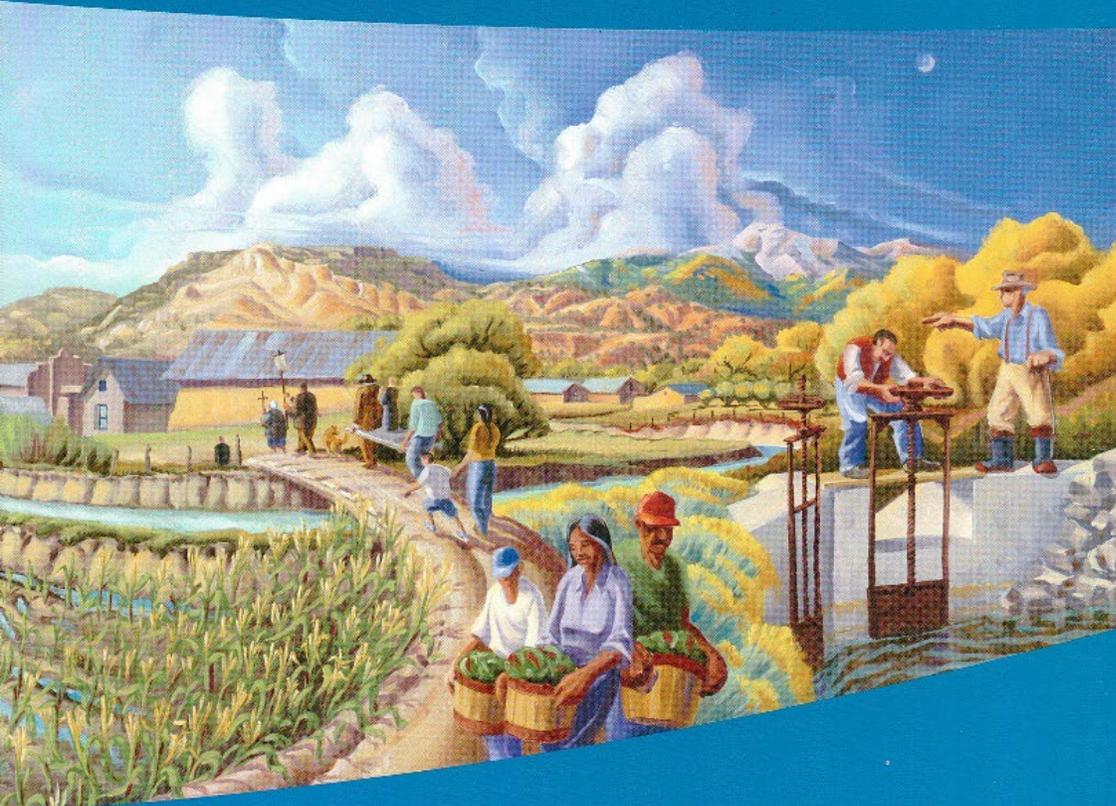
Presentation to the Water and Natural Resources Committee

July 25, 2022

WINTER 2003

THINK NEW MEXICO

A Results-Oriented Think Tank Serving New Mexicans



¡Rio Vivo!

The Need for a Strategic River Reserve in New Mexico

THINK NEW MEXICO

A Results-Oriented Think Tank Serving New Mexicans



History & Key Goals

- Proposed 2003, enacted 2005
- Keep some more water in New Mexico's rivers
- Avert conflict – including expensive litigation – over endangered species and interstate compacts



Lessons Learned

- It can work!
 - The Strategic Water Reserve has successfully cooled conflicts over the Pecos Bluntnose Shiner
 - Lease of 20,000 acrefeet a year from the Jicarilla Apache nation on the San Juan River shows potential for major benefits
- However, two challenges have limited the Strategic Water Reserve's positive impact:
 - 1) Lack of consistent funding
 - 2) Lack of capacity within the agency to make the most of this tool

History of Appropriations to the Strategic Water Reserve



Year	Funds Appropriated	Funds Clawed Back	Funds Spent	Funds Available
2005	\$2.8 million			
2006	\$2 million			
2007	\$500,000			
2009		\$1.5 million		
2010		\$600,000		
2014	\$2 million			
2017		\$2 million		
2019	\$242,000			
2020	\$750,535			
2022	\$500,000			
TOTAL	\$8,792,535	\$4,100,000	~\$3,900,000	~\$300,000 (\$500,000 from 2022 earmarked)



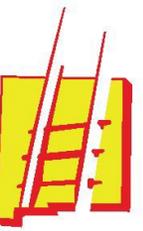
Other Funding Challenges

- Even when funding is available for the Strategic Water Reserve, it has often come with constraints that have limited effectiveness, such as:
 - Must be spent within a relatively short period of time
 - Problem: it often takes multiple years to complete a water rights transaction and the seller or lessor needs to be confident that the money will be there when the deal closes
 - Only allowed to be used for purchases, not long-term leases
 - Problem: in some critical areas, like the Middle Rio Grande, leases are the best option available



Capacity Challenges

- Right now, the only ISC staff looking at the Strategic Water Reserve are the individual river basin managers
- No one is taking a statewide perspective, looking for opportunities to make the most of this valuable tool
- Basin managers have many responsibilities and may not have the bandwidth to seek out and engage in complex water rights transactions



Legislative Recommendations

- **Inject \$15 million in one-time money into the Strategic Water Reserve**
 - Put in enough money to demonstrate the true potential of this tool
 - This funding needs to have a long time frame and flexible uses
- **Fund 1-2 FTEs at the ISC specifically dedicated to the Strategic Water Reserve and related initiatives**
 - This capacity increase, along with the investment of funding, can help the Strategic Water Reserve function effectively as a tool for averting conflict over New Mexico's rivers