

## **Senate Bill 461 - Funding Southwest NM Water Supply Needs**

Sponsored by **Senator Howie Morales (D-Catron, Grant, Socorro)**, this bill directs the Interstate Stream Commission to spend **no less than \$77 million dollars** of Arizona Water Settlements Act (AWSA) funding on **non-diversion alternatives** to meet high priority community water needs in southwest New Mexico.

**\$66 million (in 2004\$), currently worth over \$90 million (in 2015\$), is available under the AWSA to meet local water needs in Southwest New Mexico.** AWSA funds are available for Grant, Luna, Catron, and Hidalgo counties for meeting any water supply demand.

In November 2014, the Interstate Stream Commission voted to move forward with planning for a Gila River diversion project under the Arizona Water Settlements Act (AWSA). The commission also approved funding of non-diversion alternatives at approximately 10% of the total amount requested by project proponents. These low funding levels and the unduly burdensome conditions imposed by the ISC on use of the monies will make it difficult if not impossible for local communities, irrigators, and land managers to access the AWSA funding. It is likely that these priority projects will not be implemented in a timely manner or not implemented at all (see table on back).

**SB461 directs the ISC to use AWSA dollars to fully fund high priority, local community water projects.** Implementation of SB461 would not affect New Mexico's right to exchange for Gila River water in the future under the Colorado River Basin Projects Act.

**Non-diversion projects meet our future water needs for less money than the \$1 billion diversion project.** Implementation of proven conservation and water efficiency measures can sharply reduce water use at a fraction of the cost of a Gila River diversion project.

**Priority water projects proposed by local communities in southwest New Mexico total \$77 million, including:**

- **Municipal Water Conservation**
- **Agricultural Water Conservation**
- **Water Recycling/Effluent Reuse**
- **Sustainable Groundwater Management**
- **Watershed Restoration**

**A diversion project is expensive with costs now estimated at over \$1 billion (construction, OM&R, exchange costs), will have low water yield, and will negatively impact the hydrology and ecology of the Gila River.** Construction costs are estimated at \$700M - \$800M, with operations, maintenance and replacement costs over the 50-year life of the project raising the costs over \$1 billion. The AWSA subsidy won't cover the full cost of a project, leaving a gap of \$900M for taxpayers and water users to cover.

**SB461 will fully fund non-diversion, local community water projects that can meet southwest New Mexico's water needs at least cost well into the future.**

**Gila Conservation Coalition**

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**AWSA FINAL TIER 2 NON-DIVERSION PROJECTS CONSTRUCTION COSTS**  
**Amounts Requested - PER Recommendations - Final ISC Authorization**

<b><u>Project Category</u></b>	<b><u>Project Proponent</u></b>	<b><u>Estimated Cost PER<sup>1</sup></u></b> <b><u>(Original Request)</u></b>	<b><u>Recommended Funding</u></b>
<b>Municipal Conservation</b>	Municipal Conservation <sup>2,3</sup> Gila Conservation Coalition (also proposed by City of Deming)	\$10.4M <sup>4,5</sup>	\$3M
<b>Agricultural Conservation</b>	Gila Valley Irrigation <sup>2,7</sup> Gila Basin Irrigation Commission	\$1.38M-\$2.54M <sup>6</sup> (\$10.2M)	\$1.25M
	Pleasanton Ditch Improvements <sup>2,7</sup> Pleasanton East-side Ditch Company	\$1.83M-\$2.66M (\$900,000)	\$200,000
	Luna Ditch Improvements <sup>2,7</sup> 1892 Luna Irrigation Ditch Association	\$1.36M (\$1.36M)	\$100,000
	Sunset and New Model <sup>7</sup> Ditch Improvements Hidalgo County	\$12.9M-\$16M (\$18M)	\$200,000
	Catron County <sup>2,7</sup> Ditch Improvements Catron County	\$5.4M <sup>8</sup>	\$500,000
<b>Effluent Reuse</b>	Deming Effluent Reuse City of Deming	\$5.47M (\$4.48m)	\$1.75M
<b>Sustainable Groundwater Use</b>	Grant County Regional Water Supply <sup>2</sup> Grant County Water Commission	\$12.5 (\$15M)	Tabled
<b>Watershed Restoration</b>	Catron County Watershed Improvement <sup>2</sup> Catron County	\$6,689,358 <sup>4</sup>	Tabled
	Gila National Forest <sup>2</sup>	\$8,405,940 <sup>4</sup>	
	NMSU Watershed Improvement <sup>2</sup> NMSU	\$2,170,000 <sup>4</sup>	
	GSWCD Watershed Project <sup>2</sup> Grant Soil and Water Conservation District	\$1,210,000 <sup>4</sup>	
	NMFIA Watershed Improvement <sup>2</sup> New Mexico Forest Industries Association	\$2,270,000 <sup>4</sup>	
	Subtotal watershed projects	\$1M (staff recommendation) (\$20,745,298)	\$0
<b>Total Costs</b>	<b>Non-diversion Alternatives</b>	<b>\$72M - \$77M</b> <b>(\$87M)</b>	<b>\$7M</b>

<sup>1</sup> Construction costs only - no OM&R

<sup>2</sup> Project located in District 28

<sup>3</sup> Constraints: A 30% cash match (not in-kind) and a JPA or similar contracting mechanism must be produced within 2 years and the funds must be expended by 2020. Funding only provided on a reimbursement basis.

<sup>4</sup> ISC Staff Report

<sup>5</sup> No PER conducted for municipal conservation

<sup>6</sup> Includes only diversion improvement costs from Bohannon-Huston Phase 1 Report

<sup>7</sup> Constraints: Each ditch project has to have a contract within 2 years including the additional funding necessary to build the project. It's unclear whether this is being applied consistently for all ditch improvement projects.

<sup>8</sup> No PER total for all 10 Catron County irrigation project improvements - total likely higher than Tier 2 request