

The background of the slide is a composite image. The top half shows a desert canyon with jagged, reddish-brown mountains under a clear sky. The bottom half shows a river flowing through a rocky, arid landscape. A semi-transparent blue horizontal band spans the middle of the image, serving as a backdrop for the text.

SWCA

New Mexico Integrated Water Financing Plan

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Erica Gaddis, SWCA Environmental Consultants*

Western States Water Council | June 2025

Integrated Water Financing Plan

Purpose

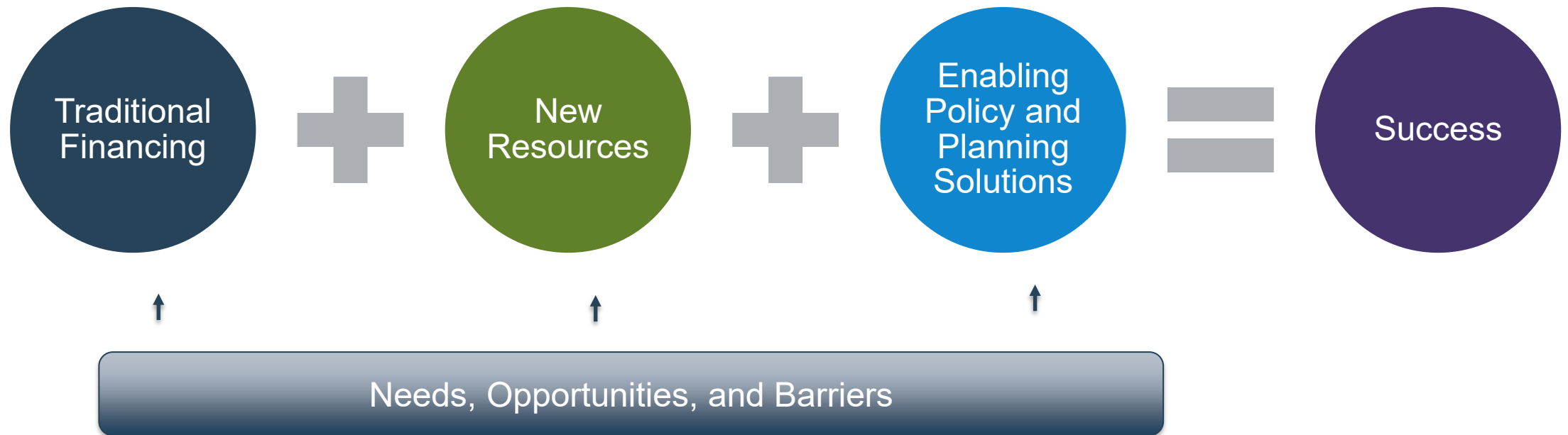
Align federal resources with New Mexico's water priorities.

Strengthen connections between state and federal agencies.

Share lessons learned with New Mexico stakeholders and with other western states.



SUCCESS FORMULA



SUPPORTING DROUGHT RESILIENCE THROUGH STATE PLANNING IN NEVADA

FEMA R9 and NV sought ability to use FEMA funds for projects that advanced drought resilience in NV.

Collaboration that brought together NV state agencies and federal agencies via WestFAST.

NV successfully added nearly 20 specific drought mitigation measures in the state's HMP.

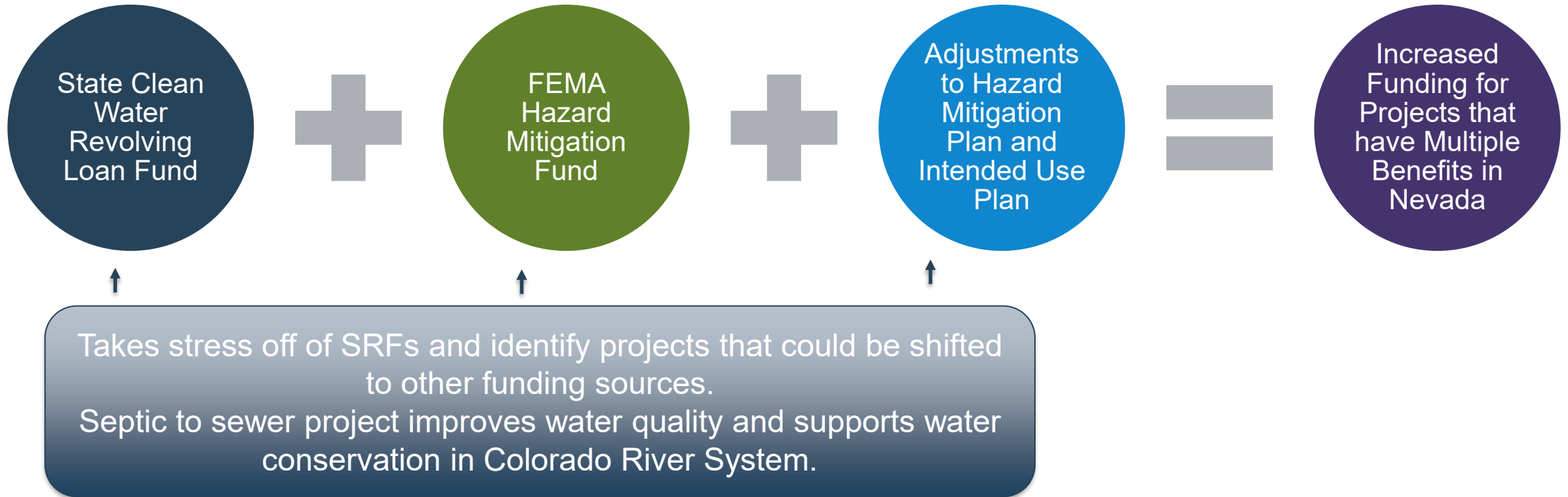
Identified multiple drought resilience projects that could potentially be eligible for FEMA funding for drought mitigation options to leverage other federal funds, e.g. EPA SRF funds.

States should work to leverage the expertise within the state and work to leverage and align the state plans with one another e.g., state water plan, state SRF intended use plans, state forest action plan, state HMP, etc.

States should reach out to federal agencies to enlist support and assistance in engaging other federal agencies and to provide technical assistance.



NEVADA EXAMPLE

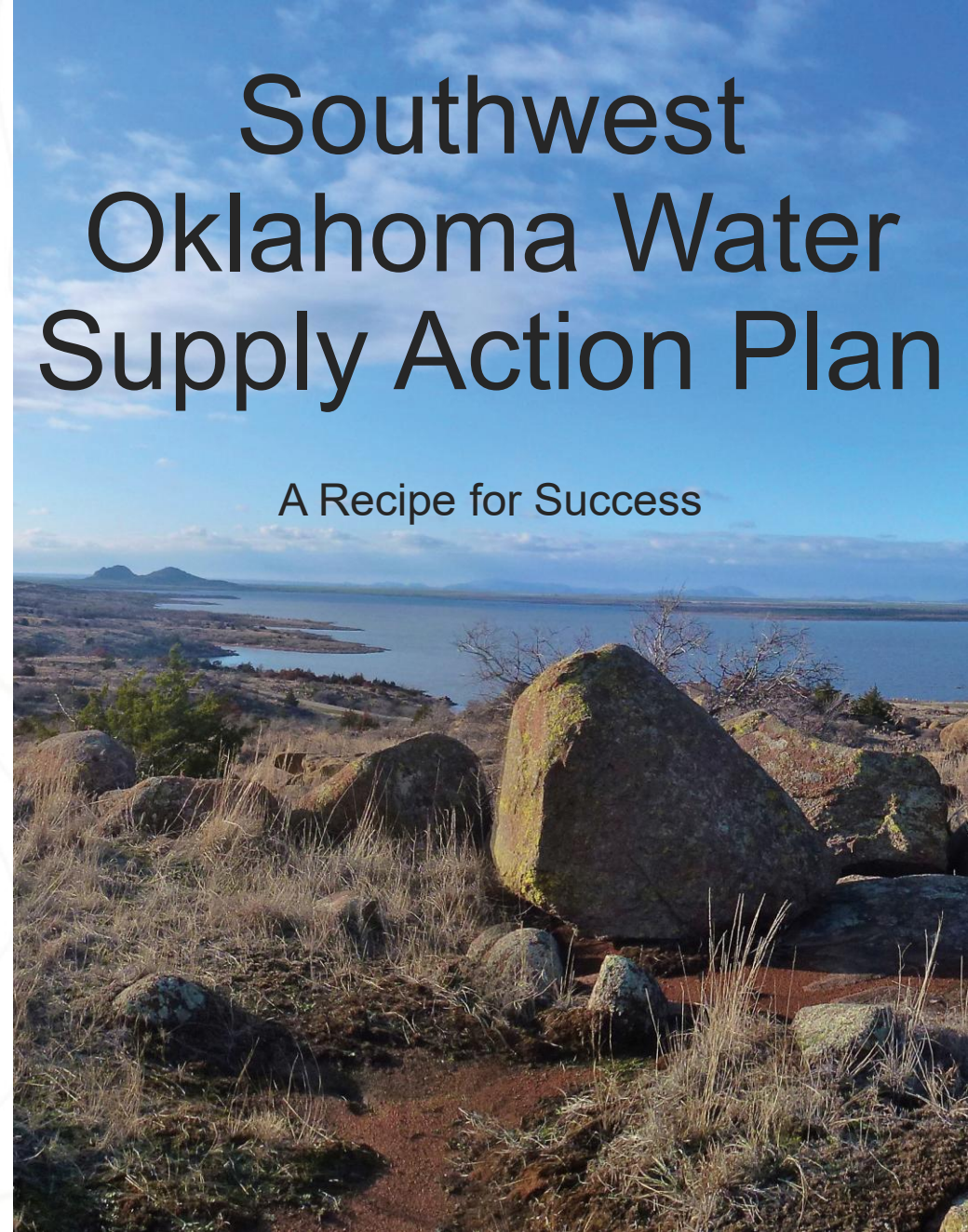


UNPRECEDENTED FIVE-YEAR DROUGHT IN SOUTHWEST OKLAHOMA

- Assemble diverse group of local stakeholders for “task force”
- Strong leadership of the “task force” from Chamber of Commerce
 - Resilience work viewed, first and foremost, as an economic issue
- Development of the Southwest Water Action Plan (SWAP)
 - Input from all stakeholders for actions
- Longevity: Task force continues to meet and engage long after “drought conditions” subside
- Active engagement with State and Federal Partners
 - National Drought Resilience Partnership (NDRP)
 - Western States Federal Agency Support Team (WestFAST)

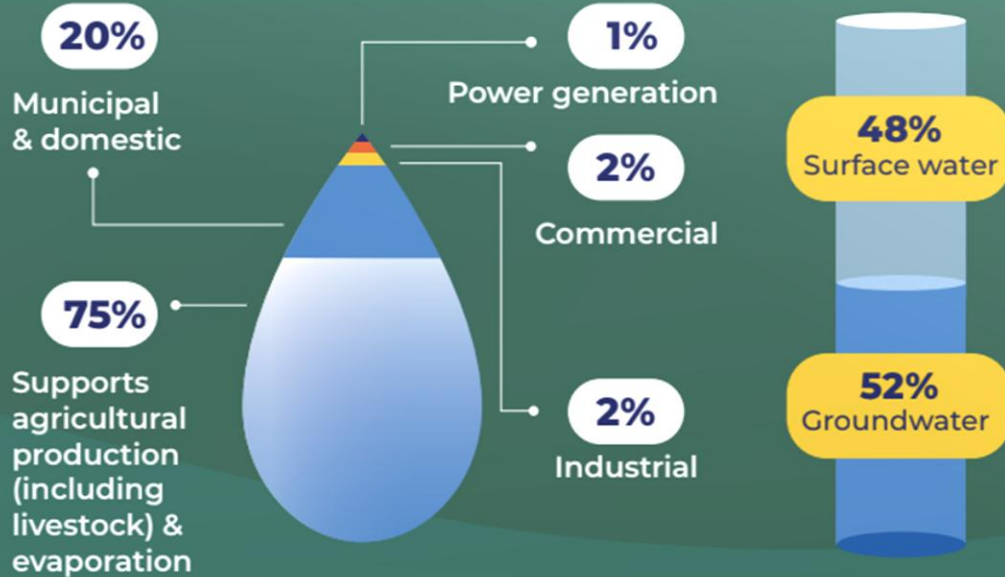
Southwest Oklahoma Water Supply Action Plan

A Recipe for Success



New Mexico's 50 Year Water Action Plan: Science and Policy Underpinnings

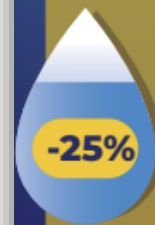
CURRENT WATER USE:



Read or download the 50-Year Water Action Plan at <https://www.nm.gov/water-security-in-new-mexico/>.

NEW MEXICO'S WATER FUTURE:

Scientists predict over the next 50 years...



New Mexico will have approximately 25% less water available in rivers and aquifers



New Mexico will be hotter and drier



Historical weather patterns, including precipitation, will change significantly



There will be more significant weather events, such as fires, flooding and drought

Without action, New Mexico will not have enough water to meet our needs

Within the next 50 years New Mexico will have a shortage of **750,000 acre feet of water**

Conservation, protection of existing water resources and development of new water resources will be required to meet this shortfall

50-YEAR WATER ACTION PLAN

Read or download the 50-Year Water Action Plan at <https://www.nm.gov/water-security-in-new-mexico/>.

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
- A2 Incentivise agricultural water conservation
- A3 Reduce leaks in drinking water infrastructure and increase municipal 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
- C2 Protect surface water by controlling pollution through a discharge permitting program
- C3 Modernize wastewater treatment plants and stormwater infrastructure
- C4 Protect and restore watersheds

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

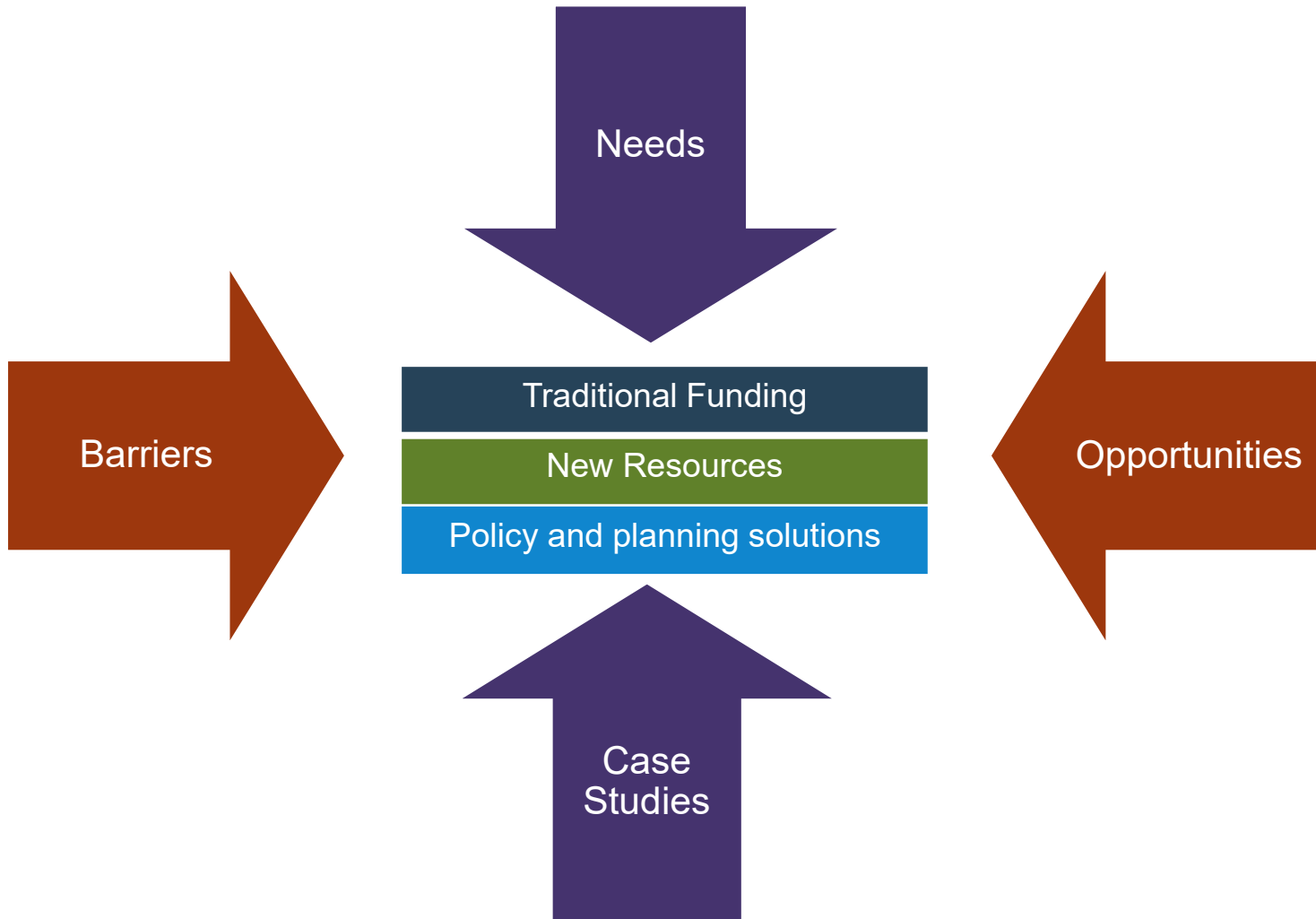
River, aquifer, and
watershed health

Water and Watershed
Protection

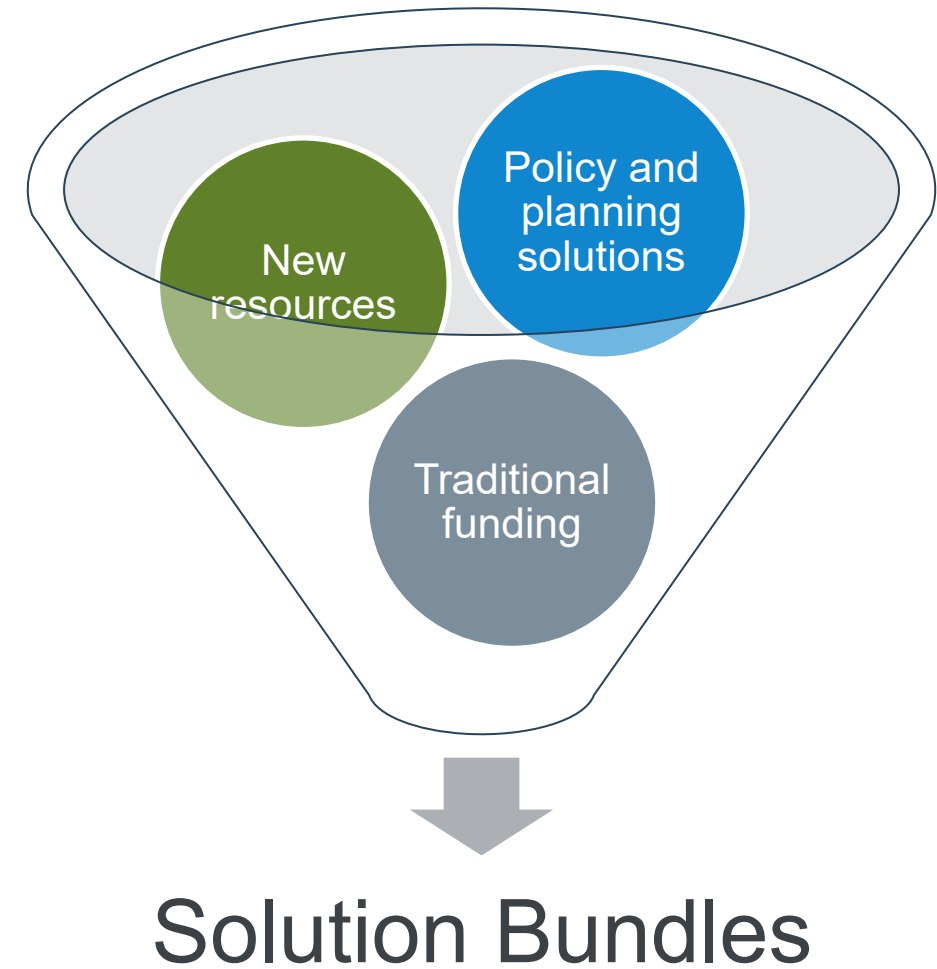


Ribbons of Life: Upper
Rio Grande Riparian
Restoration and
Conservation

WORKSHOP 1



WORKSHOP 2



INFORMATION EXCHANGE WORKSHOP – NOV 2024



70 state, federal, and NGO partners



Breakout Sessions

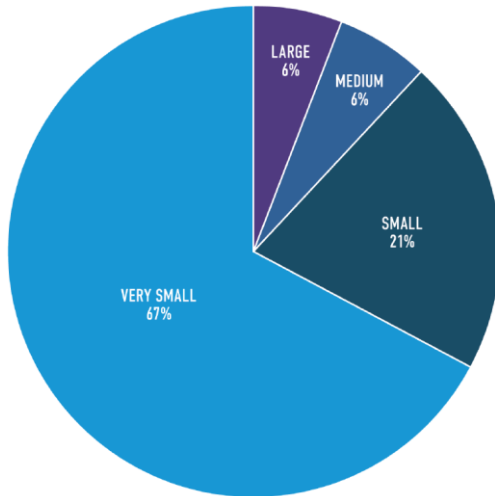


“Ask Me Anything” Discussion Tables

Priority Areas

Drinking Water Regionalization

- Water shortages/aging systems
- Significant capital needs
- Difficult to finance with loans
- Significant capacity constraints

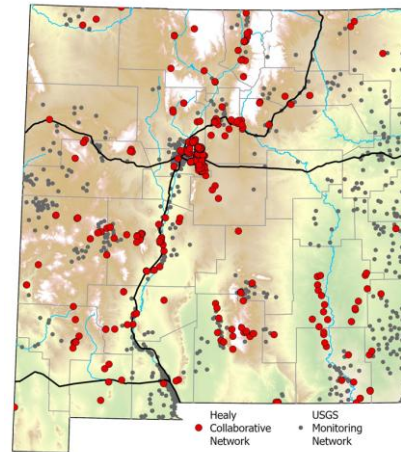


NM COMMUNITY PUBLIC WATER SYSTEMS

\$3 billion+ need

Aquifer Mapping and Monitoring

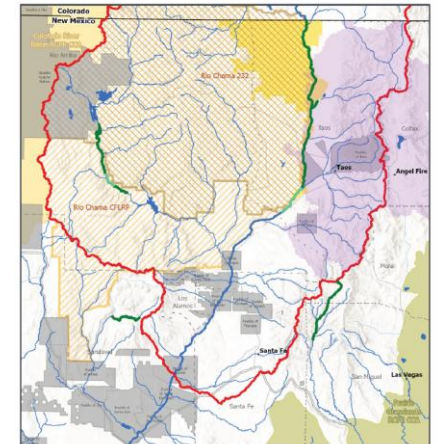
- Current coverage is insufficient
- Informs aquifer recharge, groundwater management protection of quality



\$175 million+ need

Upper Rio Grande Basin Restoration

- Improve fire resilience, hydrologic function, and ecosystem health.
- Collaborative process
- Tribal and Pueblo engagement



\$9 million+ need

ACCELERATING SMALL COMMUNITY DRINKING WATER SYSTEM REGIONALIZATION

Funding Program	Applicability	Potential Funding
Drinking Water State Revolving Loan Fund (NMED/EPA)	Drinking Water Infrastructure	Multiple millions per project
New Mexico Match Fund	Projects requiring match to federal funds	Up to \$10 million per project
595 Program (USACE)	Water supply projects	\$5 million per project
WaterSMART Drought Response Program (USBR)	Water supply for disadvantaged communities	\$10 million per project
Hazard Mitigation Grant Program (FEMA)	Water supply related to drought mitigation	Wide range; could be multiple millions
Building Resilient Infrastructure and Communities (FEMA)	Water supply related to drought mitigation	Wide range; could be multiple millions
Sentinel Landscapes (DOD, DOI, USDA)	Communities within boundary of Eastern Sentinel Landscape	TBD

PLANNING AND POLICY ACTIONS

- Implement technical assistance support through state-wide procurement of support services.
Lead entity: NMFA. Target date: November 2024
- Implement a Water Financing Coordinating Function or Council with support from the new NM DFA Infrastructure Planning Division.
Lead entity: Technical assistance partners and NMDFA. Target date: Spring 2025
- Implement policy recommendation to incentivize communities to regionalize.
Target date: 2025 Legislative Session
- Implement policy recommendations to optimize loan and grant funds through blended financing plans to fully fund projects that will help ensure funds are put to work more quickly.
Target date: 2025 Legislative Session

AQUIFER MAPPING AND MONITORING

Funding Program	Applicability	Potential Funding Amount
WaterSMART (USBR)	Aquifers that serve communities experiencing water stress or scarcity	Variable
HMGP (FEMA)		\$1,000,000+
Infrastructure as a Service (Sustainability Partners)	Well infrastructure - statewide	\$100 million + (depending on state need)
Planning Assistance to States (USACE)	Planning - statewide	Planning - statewide
Upper Colorado River Basin System Conservation and Efficiency Program (USBR)	Aquifers in the Upper Colorado River Basin	Multiple millions
NIDIS Drought Toolbox	Aquifers that serve communities experiencing water stress or scarcity	In-kind
NAWI (DOE)	Candidate aquifers for desalination water supply	\$1,000,000+
Sentinel Landscapes (DOD, DOI, USDA)	Ogallala Aquifer	TBD

PLANNING AND POLICY ACTIONS

- Discuss best funding program for planning and scoping study with FEMA and DHSEM.
Target date: Fall 2024
- Establish Steering Committee to guide Aquifer Mapping and Monitoring program progress.
Target date: Spring 2025
- Apply for membership to the National Alliance for Water Innovation (DOE) to enable future eligibility for programs. Lead: NMBGMR.
Target date: Spring 2025
- Complete statewide aquifer characterization planning and scoping study. Lead: NMBGMR.
Target date: Fall 2025

RIBBONS OF LIFE: UPPER RIO GRANDE BASIN

PROMISING FINANCING OPPORTUNITIES

Federal Program Nexus	Applicability	Potential Funding
WaterSMART Cooperative Watershed Management Program (USBR)	Supports watershed coalition building and planning for restoration implementation.	\$300,000
Collaborative Capacity Program for Forests and Communities (USFS, NFF)	Collaboration to support long-term strategy for achieving stewardship outcomes benefiting National Forest lands.	\$150,000
WaterSMART Aquatic Ecosystem Restoration Program (USBR)	Design and on-the-ground implementation for restoration of aquatic habitat.	Design up to \$2,000,000; construction up to \$20,000,000
WaterSMART Environmental Water Resources Projects (USBR)	Collaborative ecological value or watershed health projects that increase water savings.	Up to \$5 million for a watershed group.
Building Resilient Infrastructure and Communities (FEMA)	On-the-ground projects, plans, and/or partnership building.	Wide range; could be multiple millions.
Hazard Mitigation Grant Program (FEMA)	On-the-ground projects and plans.	Wide range; could be multiple millions.
Landowner Cost Share Payment Programs for Climate Mitigation and/or Forest Resilience Practices (USFS)	Collaboration to support long-term strategy for achieving stewardship outcomes benefiting National Forest lands.	\$10,000 to \$150,000

PLANNING AND POLICY ACTIONS*

- Request National Water Quality Initiative designation from NRCS.
Lead entity: NMED.
- Prepare and submit Regional Conservation Partnership Program application to NRCS for multiple-state or non-Critical Conservation Area project.
Lead entity: Coalition partners TBD.
- Increase legislative appropriations to secure state match for federal grants through the NM Match Fund and the River Stewardship Program.
Lead entity: Coalition partners TBD.
Target date: Legislative session 2025
- Update Ribbons of Life Action Plan to include alignment of individual on-the-ground project needs with recurring funding opportunities.
Lead entity: National Wildlife Federation.
Target date: Annually (on-going)
- Pursue designation of federal funding explicitly for the Rio Grande Basin.

Private Financing

WATER RESILIENCE COALITION

A CEO-led initiative committed to reducing water stress by 2050



WRC members work to preserve the world's freshwater resources through collective action in water-stressed basins and through ambitious, quantifiable goals.



SUSTAINABILITY
PARTNERS

Infrastructure as a Service®

Sustainability Partners, LLC ("SP") is Public Benefit Company committed to helping communities thrive by permanently eliminating deferred maintenance of their essential infrastructures making them reliable, safe, and improving.

Other: Environmental impact bonds, private equity investments, blue/green banks, private-public partnerships, carbon credits



BLUECOMMONS
A COMMUNITY BLUE BANK



WATEREQUITY



incofin
invest for impact



Forward Progress: Water Wins in 2025 Legislative Session (BUDGET - \$393M)

Conservation & Infrastructure (\$272M)

- \$200M to water project fund
 - \$25M for Indian water rights settlements
 - \$15M to Rural Infrastructure Program Fund
 - \$6M for water planning and education
 - \$5M for ag water conservation projects
- AND MORE...

All numbers on this slide are new nonrecurring appropriations in House Bill 2.

New Sources (\$57.5M)

- \$40M for strategic water supply
- \$8M for brackish water technology, research and NMSU lab
- \$7.5M for aquifer monitoring and mapping
- \$2M for water data act

Not included: recurring agency funding, capital outlay bill, and Public Project Revolving Fund appropriations.

Protection & Restoration (\$63.7M)

- \$20M to clean up contaminated sites
- \$20M for forest management and restoration
- \$15M for natural resources damages assessments and restoration
- \$5.7M for Superfund sites
- \$3M to address PFAS contamination



Office of the Governor

MICHELLE LUJAN GRISHAM



Looking ahead – New Mexico Perspective

Coordination and collaboration must continue at all levels of water management.

A New Mexico Federal Agency Support Team (NM FAST) would facilitate greater sustained collaboration between federal agencies and the state of NM.

Leveraging funding opportunities will continue to be a priority – expanded focus on private financing and philanthropic support.

Building the water workforce of the future is an urgent need across federal, state, tribal, and local governments.

Dealing with climate variability is a reality.

Elements of Success

Strong foundation of water planning in New Mexico.

Trust in partners to experiment.

Focus on tangible priorities to maximize relevancy.

Focused topics to provide space for innovation and time for interactive engagement.

Federal program expertise is critical to navigating complexities and opportunities.

Sustained collaboration leads to relationships and trust.



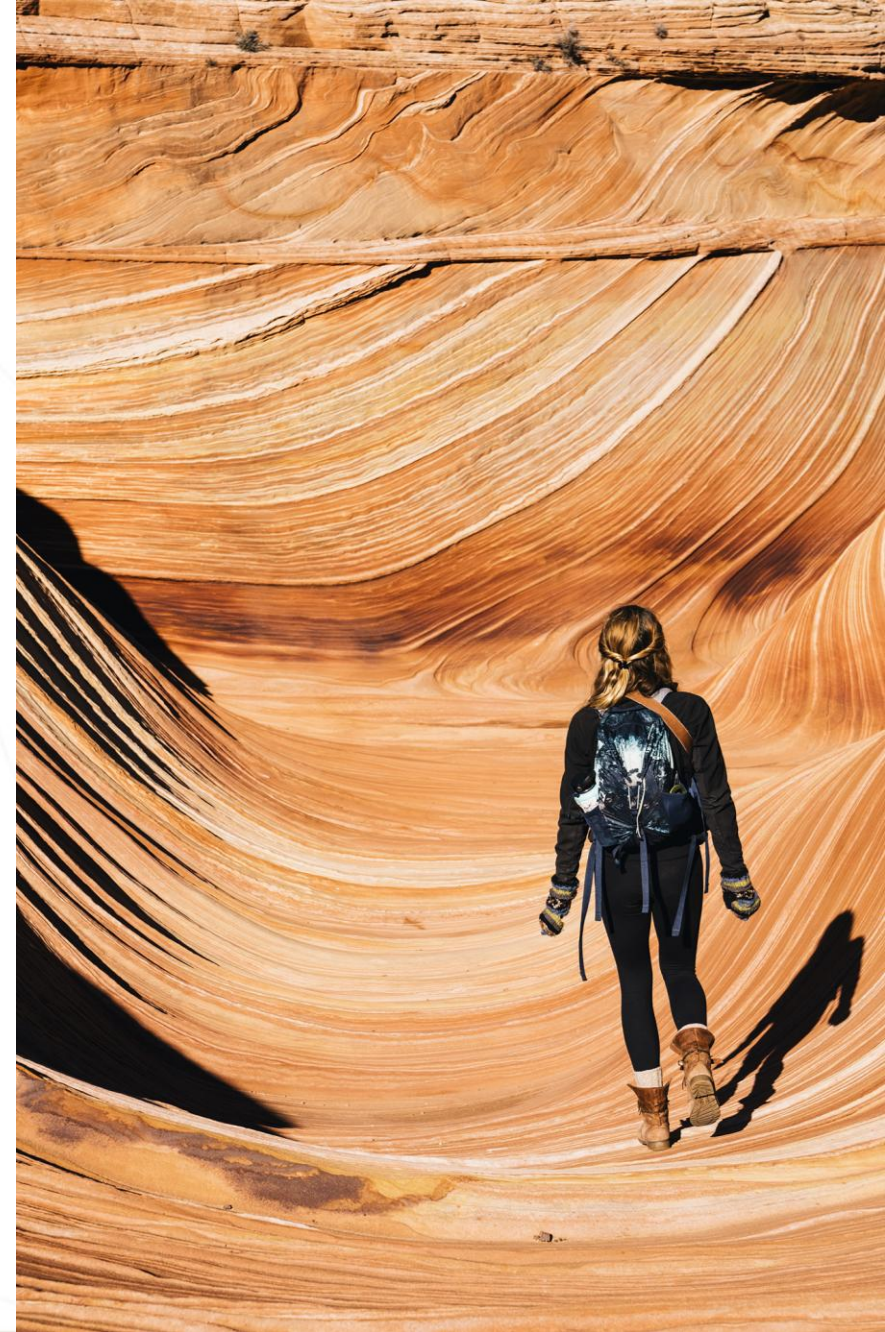
Looking ahead: Federal/WestFAST perspective

Federal programs are numerous, complex, and challenging to navigate – program experts are critical to overcome barriers and identify the best opportunities.

Collaboration and relationship building is critical to effective deployment of federal resources – both technical and financial.

Importance of targeted investment in direct technical assistance and capacity building for state, tribal, and local agencies and to small and disadvantaged communities to access federal funds.

Development of the water workforce is needed at all levels of government, NGOs, private sector, etc.



A topographic map of the United States, showing state boundaries and terrain. The map uses color to represent elevation, with greens for lower elevations and browns/yellows for higher elevations. The map is oriented with the United States coastline on the left and right sides. The text "Looking ahead: WSWC perspective" is overlaid on the right side of the map.

Looking ahead: WSWC perspective

Effective federal – state collaboration will look different across different states. Identifying mutually-meaningful incentives and benefits for making time and effort ("other duties as assigned").

NM Integrated Water Financing Plan project provided one example of a tangible opportunity for federal agencies to collaborate and support state water needs.

Planning for the future: state water plans, priority projects (backlog, queue, shovel ready), state funding mechanisms, rural and small community assistance.

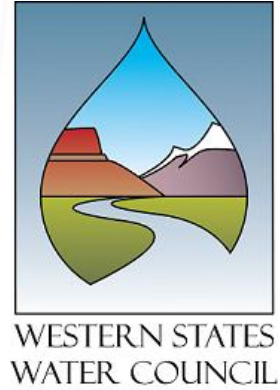
Need for a long-term durable federal funding mechanisms to support water infrastructure (aging, new, post-disaster repairs and replacement), water data, water conservation, and watershed restoration needs in arid western states.



Change happens at the
speed of trust.

- Stephen M.R. Covey, *The Speed of Trust*

Project Partners



Project Sponsors

