



SWCA

**New Mexico Integrated Water Financing Plan
Information Exchange Workshop**

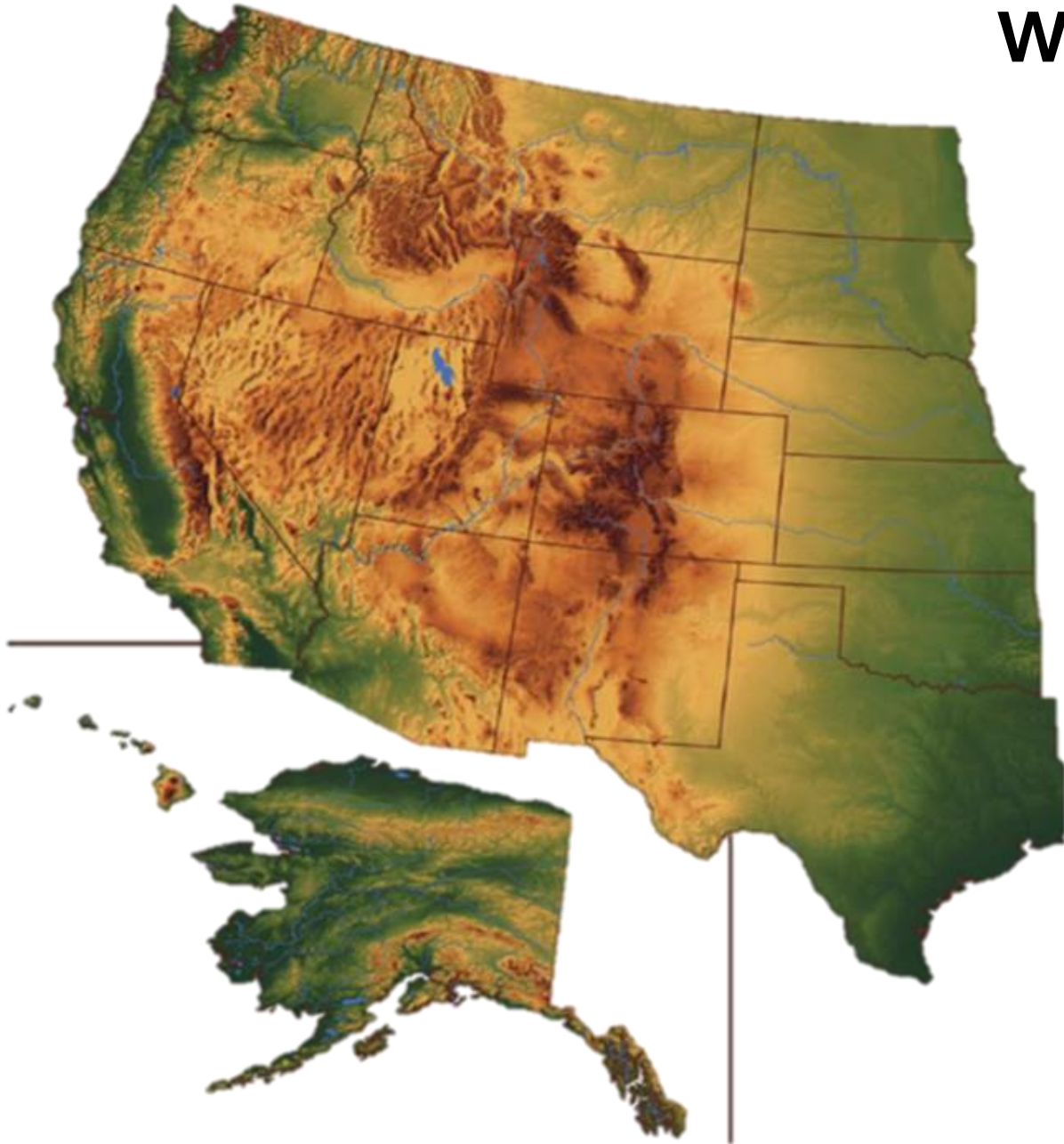
| Nov 14, 2024

Welcome and Objectives Overview

Michelle Bushman (WSWC) and Erica Gaddis (SWCA)

9:00 – 9:15 am

Western States Water Council



- Created by the Governors of the Western States in 1965 to advise them on water policy issues impacting the West
- Members are appointed by the Governors (state engineers, water quality administrators, AGs, etc.)
- **MISSION:** To ensure that the West has an adequate, secure, and sustainable supply of water of suitable quality to meet its diverse economic and environmental needs now and in the future.

Project Partners



WESTERN STATES
WATER COUNCIL



Project Sponsors



Be like water making
its way through
cracks. Do not be
assertive, but adjust
to the object, and you
shall find a way
around or through it.
If nothing within you
stays rigid, outward
things will disclose
themselves.

~Bruce Lee



Integrated Water Financing Plan Purpose

1. Maximize federal funding and resources invested in New Mexico's water resource priorities.
2. Strengthen connections between state and federal agencies.
3. Share lessons learned with New Mexico stakeholders and with other western states.





Today's Desired Outcomes

Shared understanding of the content and next steps for the Integrated Water Financing Plan report.

Strengthened relationships between federal, state, and other partners and a strategy to continually renew these relationships.

Improved knowledge of water related funding and strategies to better leverage and mobilize funds.



Agenda

- 9:00 am Welcome and Objectives
- 9:15 am Introductions Ice-breaker
- 9:30 am State water planning overview and need for integrated financing
- 9:45 am Integrated Water Financing Plan Overview
- 10:15 am Panel: Sampling of funding programs and resource providers
- 11:15 am “Ask Me Anything” Discussion Tables
- Noon Lunch*
- 1:00 pm Breakout Sessions for IWFP Demonstration Projects
- 2:00 pm Action Items....What’s next for you?
- 2:15 pm *Networking break*
- 2:30 pm Jeopardy: Water and Funding Programs
- 3:00 pm Envisioning a New Mexico Federal Agency Support Team
- 3:45 pm Closing remarks

Introductions and Ice-breaker

Moderated by: Wendy Blackwell (SWCA)

9:15 – 9:30 am

State water planning and need for integrated water financing

Tanya Trujillo (NM OSE/ISC) and Rebecca Roose (Governor's Office)

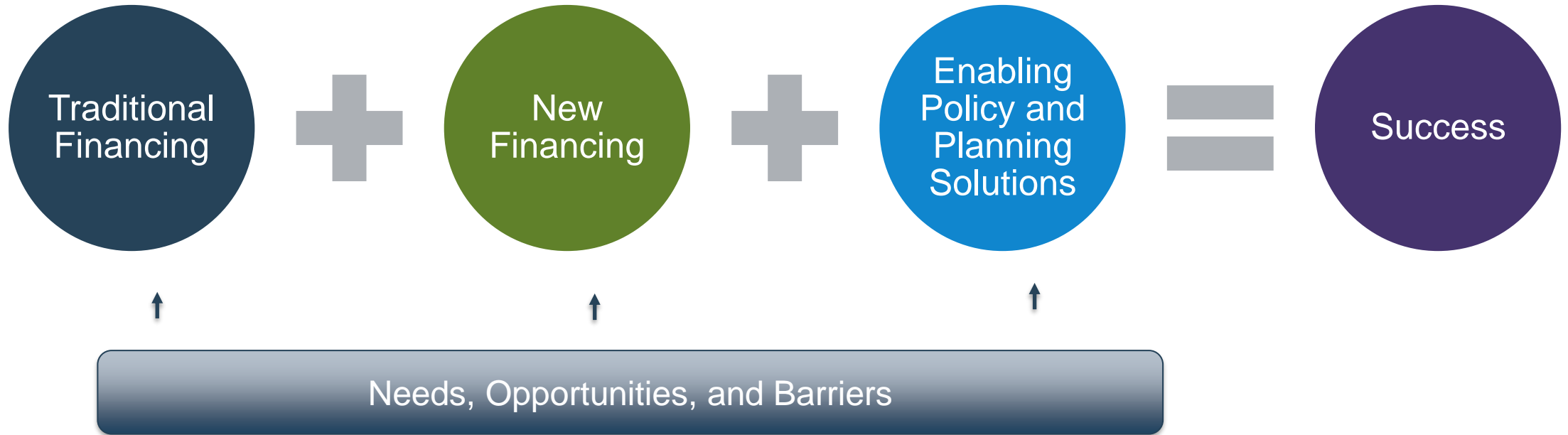
9:30 – 9:45 am

Integrated Water Financing Plan Overview

Erica Gaddis, Ramón Lucero, Stacy Timmons, Alicia Mars

9:45 – 10:15 am

SUCCESS FORMULA



INVENTORY OF NM WATER NEEDS

- Webinar and survey
- 50+ interviews
- Review of state plans:
 - Water Task Force Report
 - 50-Year Water Action Plan
 - Intended Use Plans
 - State Forest Action Plan
 - Nonpoint Source Plan
 - State Hazard Mitigation Plan
 - Climate Strategy Report
 - Acequia Water Planning Working Group recommendations
 - Tribal Water Working Group recommendations
- Dozens of activities inventoried

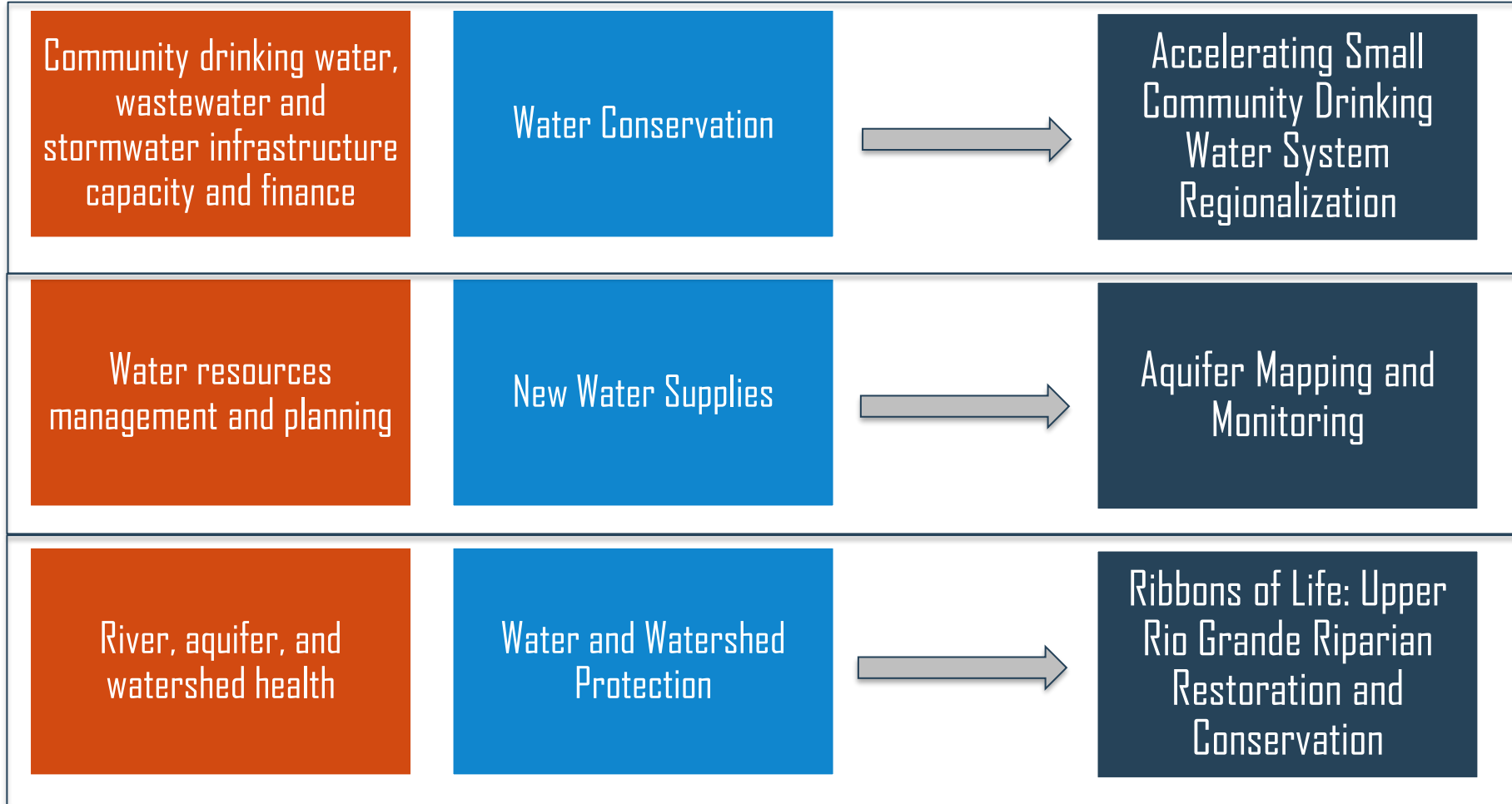
CONSIDERATIONS FOR SELECTION

-  **Impact**
-  **Equity**
-  **Tribal priorities**
-  **Diversity**
-  **Alignment**
-  **Long-term funding challenges**
-  **Urgency**
-  **Project stage**
-  **Colorado River tributaries**
-  **Nature-based solutions**
-  **Integrated Water Resources Management**

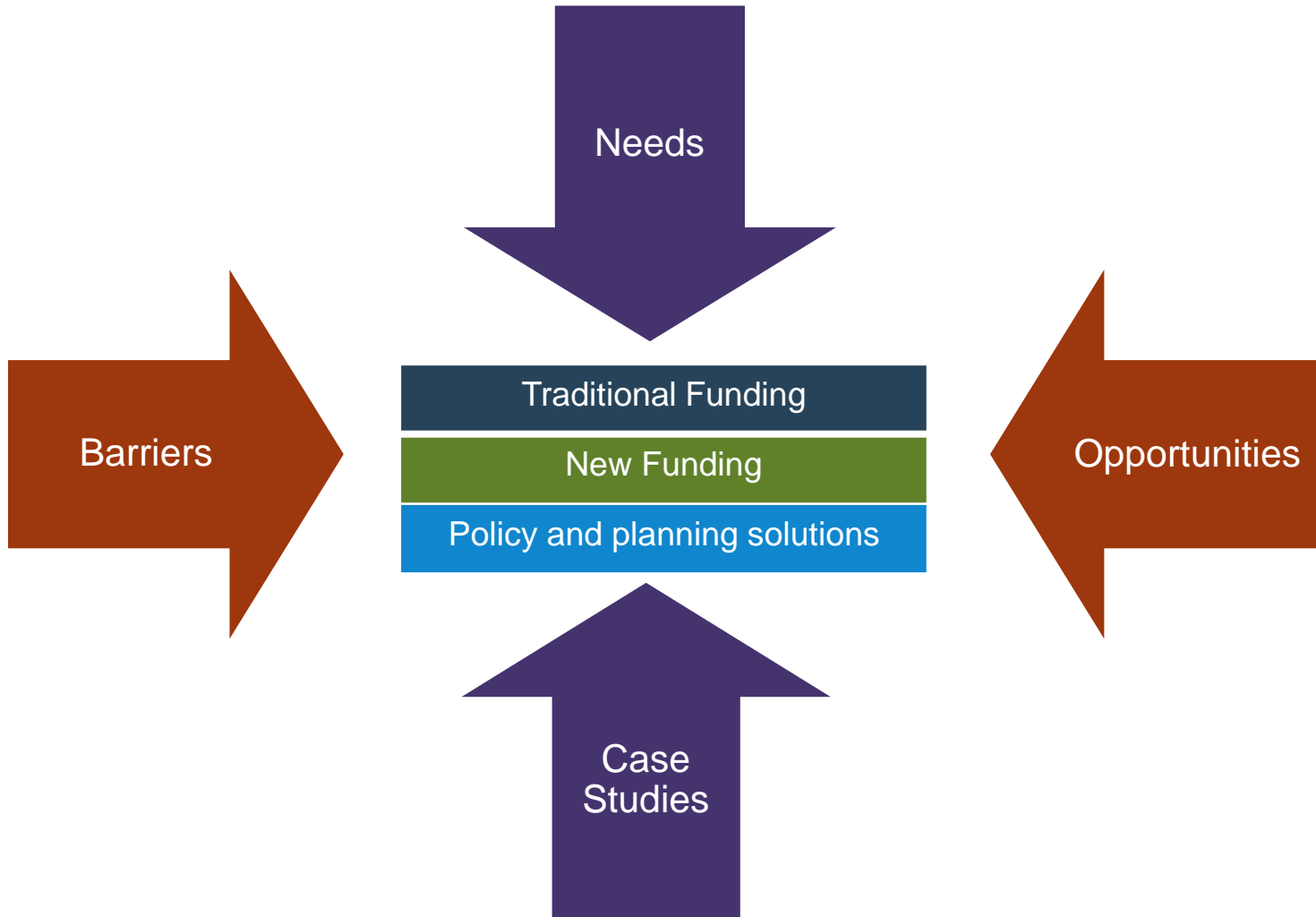
FACING NEW MEXICO'S 21ST CENTURY

WATER CHALLENGES

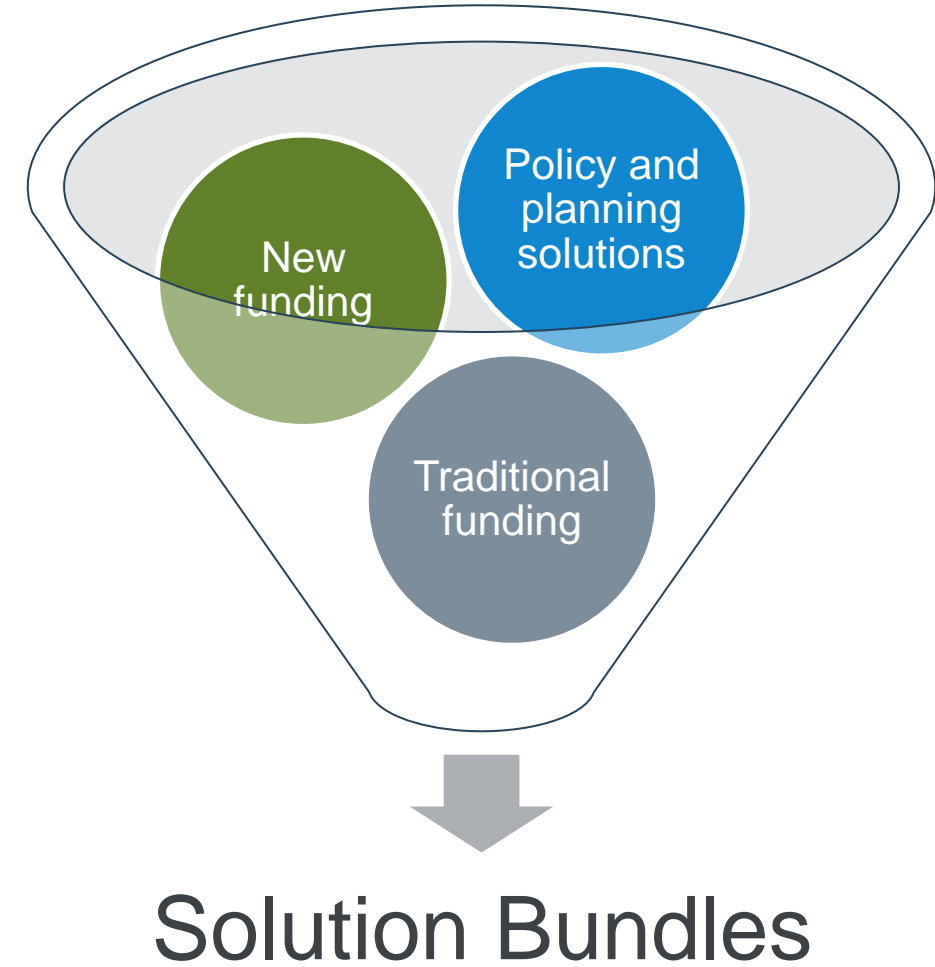
50-YEAR WATER ACTION PLAN



WORKSHOP 1



WORKSHOP 2



ACCELERATING SMALL COMMUNITY DRINKING WATER SYSTEM REGIONALIZATION

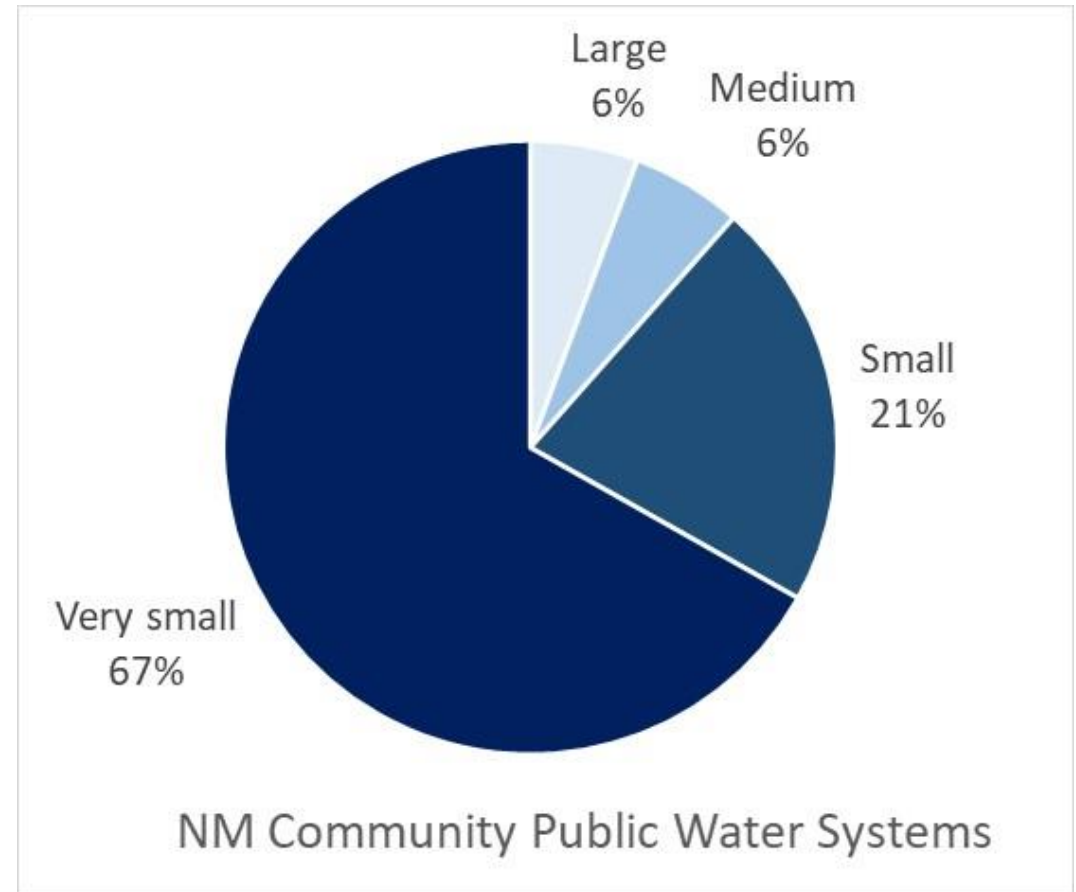
Challenges:

Acute water shortages and aging infrastructure in small communities threatens public health, constrain economic development, and contributes to inefficiencies.

Regionalization requires high levels of initial investment.

Difficult to finance with traditional loan funds due the high cost per household.

Technical and administrative capacity constraints are significant.



ACCELERATING SMALL COMMUNITY DRINKING WATER SYSTEM REGIONALIZATION

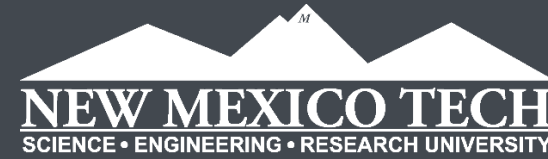
NEED
\$3 BILLION+

NM Regional Water Plans identified 18 drinking water infrastructure projects

Projects ready to apply total at least \$200M

Significant need not yet quantified

AQUIFER MAPPING AND MONITORING



Challenges:

Groundwater level monitoring coverage of the state is insufficient.

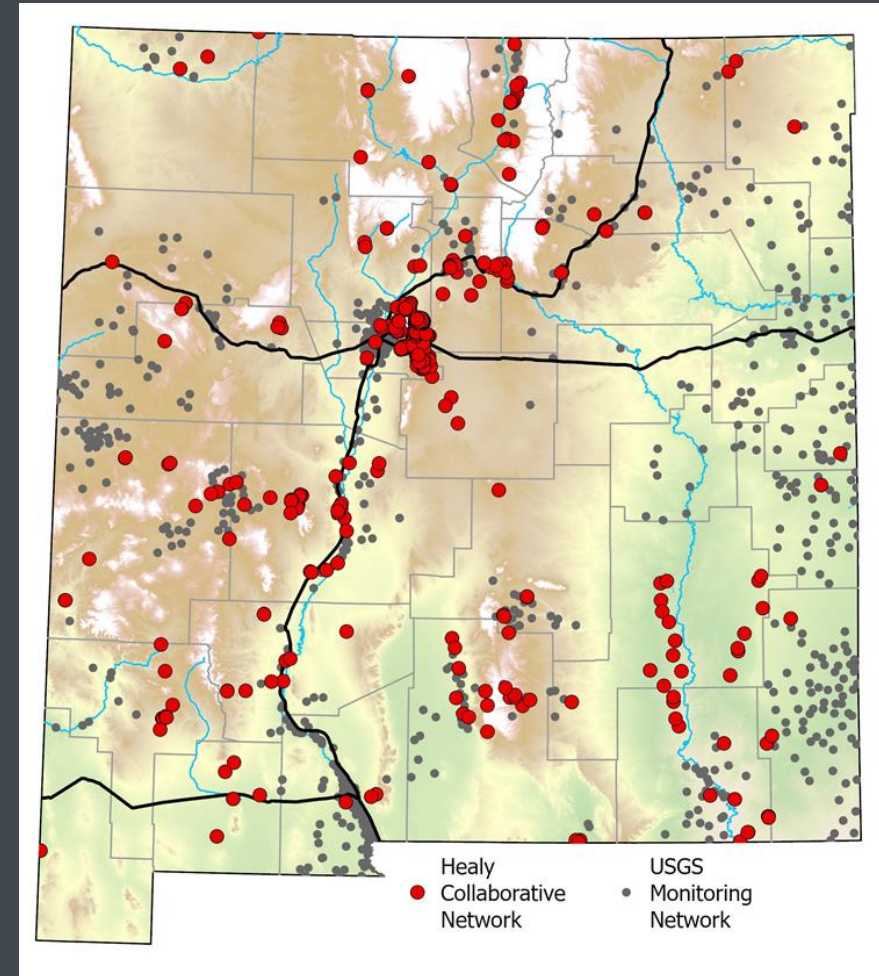
- Comprehensive groundwater management requires an integrated statewide monitoring and data management system.

Many aquifers have not been fully characterized

- Data gaps can be addressed with additional mapping, surveys and drilling exploratory wells

Why NM Needs Improved Aquifer Mapping and Monitoring:

- Proactive groundwater management by tracking groundwater in real-time
- Protection of groundwater quality
- Climate related hazard mitigation
- Informed decision making for alternative water resources and regionalization projects
- Identifying aquifer recharge potential areas



AQUIFER MAPPING AND MONITORING

**NEED
\$175
MILLION
(12 YEARS)**

Drill 100 Exploration -> Monitoring wells

Surveys, Mapping, Contractor, Sample Analyses

Build Real-Time Statewide Groundwater Monitoring Network

RIBBONS OF LIFE: UPPER RIO GRANDE BASIN RIPARIAN CONSERVATION, RESTORATION, AND WATERSHED HEALTH INITIATIVE

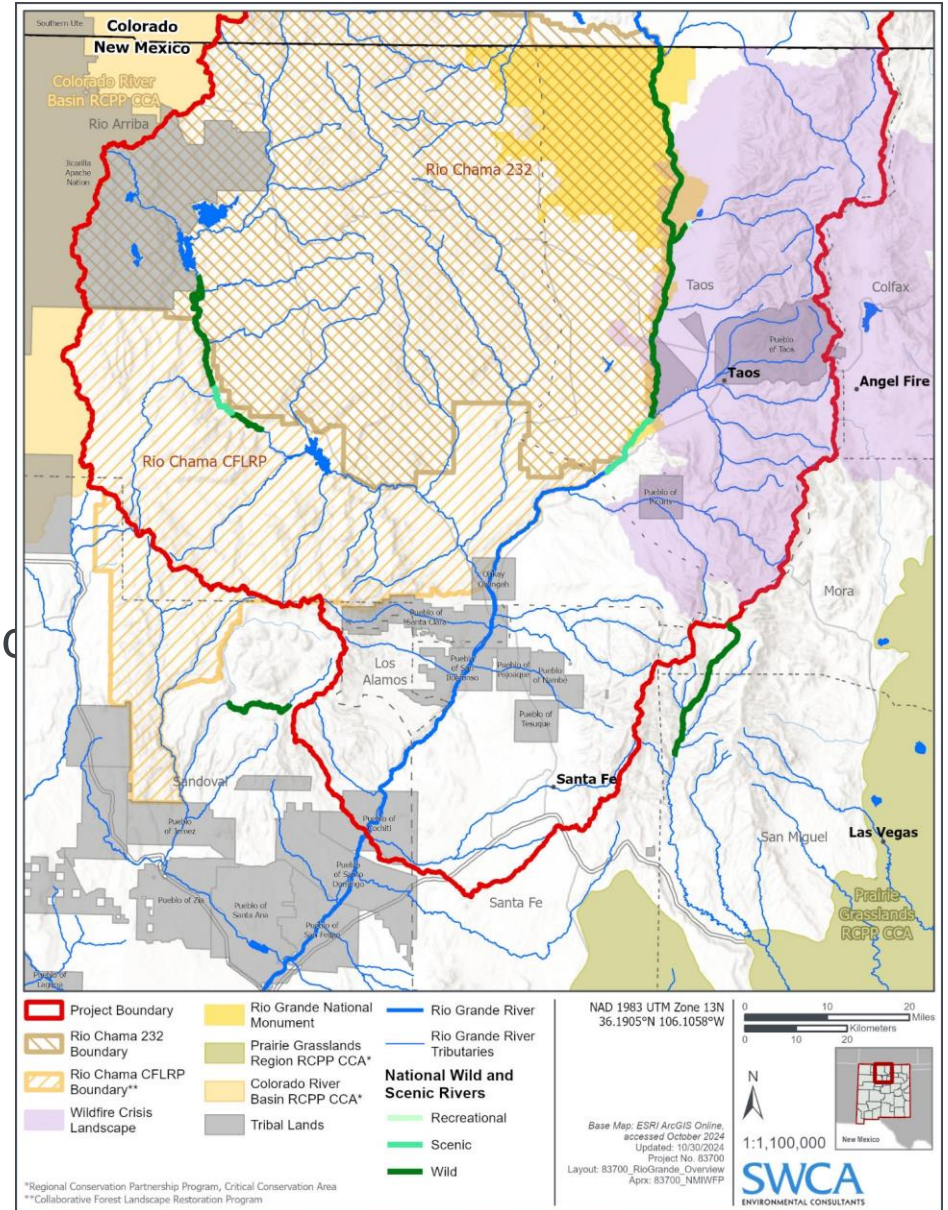
CHALLENGES:

Upper Rio Grande Basin riparian health is critical to protecting ecosystem functions and water supply.

Extensive planning includes a geospatial database of riparian restoration potential across 2,000+ miles of stream, coalition build and assessment of projects and needs.

RIBBONS OF LIFE GOALS:

- Accelerated restoration of riparian and wetland areas
- Increased fire resilience of landscapes
- Improved hydrologic function
- Reduced risks to water supply
- Tribal and Pueblo engagement and leadership



RIBBONS OF LIFE: UPPER RIO GRANDE RIPARIAN RESTORATION

NEED
\$9 MILLION++

Strengthen coalition of partners

Known on-the-ground projects (stream restoration, fish passage, noxious weed management)

Significant need not yet quantified

PROMISING FUNDING STRATEGIES

Accelerating Small Community Drinking Water Regionalization

Accessing more grants to leverage existing loan funds

Infrastructure as a Service Private Financing (Sustainability Partners)

Review annual funding of NM Match Fund

Multiple federal and state programs

Statewide Aquifer Mapping and Monitoring

FEMA programs (BRIC and HMGP)

Infrastructure as a Service Private Financing (Sustainability Partners)

Planning Assistance to States (USACE)

Other federal programs

Ribbons of Life: Upper Rio Grande Riparian Restoration and Conservation

WaterSMART programs (USBR)

Collaborative Capacity Program for Forests and Communities (USFS, NFF)

FEMA programs (BRIC and HMGP)

Recurring resource specific implementation funding

ENABLING POLICY AND PLANNING

Accelerating Small Community Drinking Water Regionalization

State-wide procurement of support services (NMFA)

NM Water Financing Coordinating Council

Incentivizing regionalization

Statewide Aquifer Mapping and Monitoring

Aquifer characterization plan development

NAWI membership

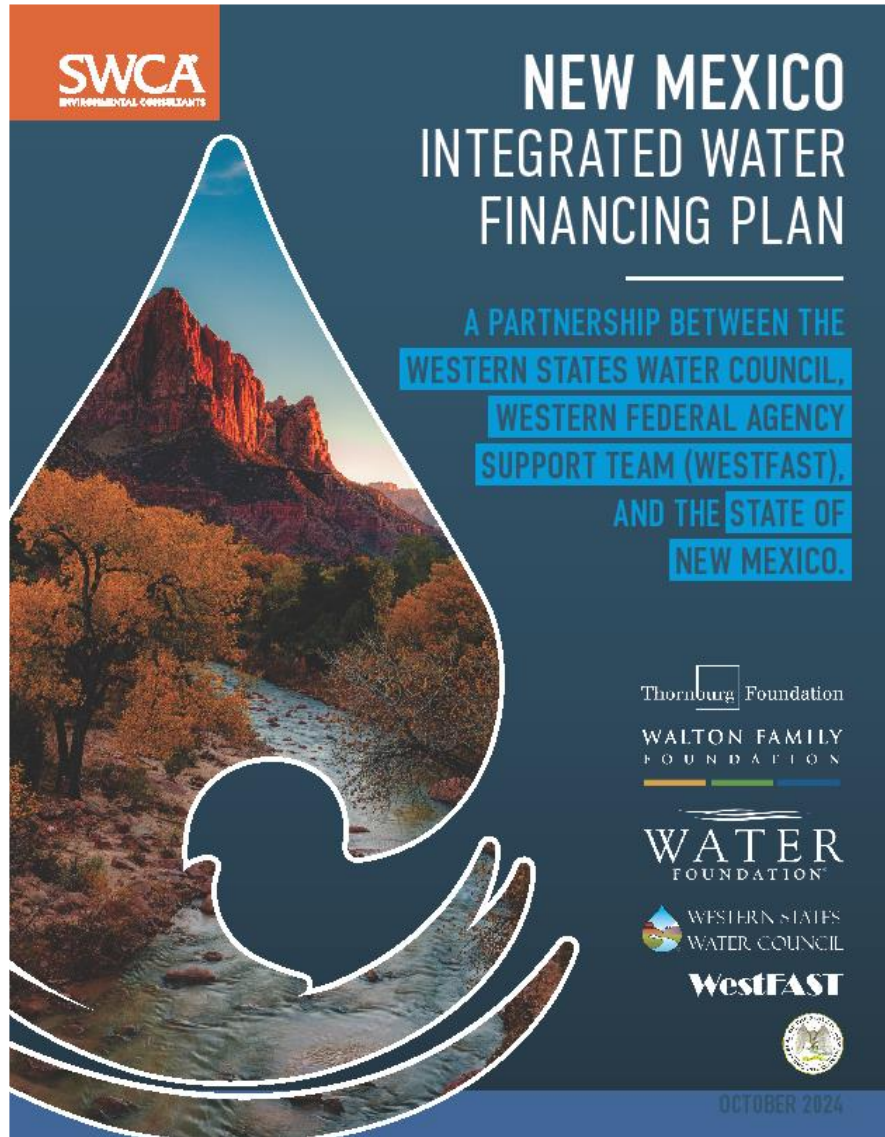
Data integration

Ribbons of Life: Upper Rio Grande Riparian Restoration and Conservation

New federal watershed designations

Expanded eligibility for state funds

Formalizing roles for coalition partners



Report Structure

Chapter 1 – Project Overview

Chapter 2 – Selected Water Financing Needs
Accelerating Small Community Drinking Water System Regionalization

Chapter 3 – Financing and Funding Mechanisms
Accelerating Small Community Drinking Water System Regionalization

Chapter 4 – Enabling Policies and Planning
Barriers and Challenges to Accessing Funding
State Policy Recommendations
State Planning Recommendations
State Funding Recommendations
Federal Policy Recommendations

Chapter 5 – Integrated Water Financing Plans
Accelerating Small Community Drinking Water System Regionalization

Chapter 6 – Applicable Lessons

**New Mexico Integrated
Water Financing Plan
Demonstration Activities**

Accelerating Small
Community Drinking
Water System
Regionalization

Aquifer Mapping and
Monitoring

Ribbons of Life:
Upper Rio Grande
Riparian Restoration
and Conservation



**Breakout
Sessions**

Policy
Discussion

Prioritization
criteria

Partner
Coordination

Sampling of funding programs and resource providers

Moderated by: Erica Gaddis (SWCA)

10:15 – 11:15 am

Panelists:

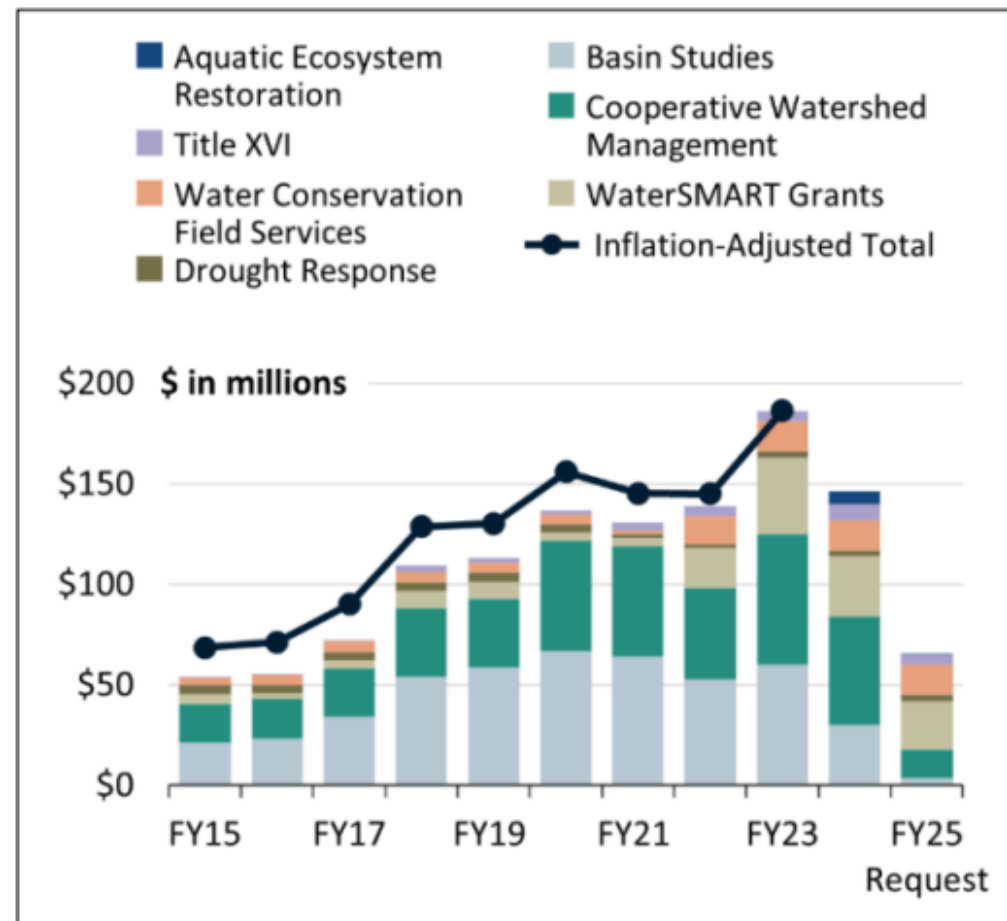
- *Genevieve Allan (USBR)*
- *Matthew Rollins (FEMA)*
- *Ryan Gronewold (USACE)*
- *Sebastian Grimm (DOE)*
- *Donnie Quintana (NMFA)*
- *Ethan Branch (NM DFA)*
- *Alan Klatt (NMED)*
- *Emily Worthen (NMED)*
- *Erin McElroy (NMFD)*
- *Shana Baker (Thornburg Foundation)*
- *Greg Seeley (Sustainability Partners)*

WaterSMART Program

Through WaterSMART Grants,* Reclamation provides financial assistance for projects to

- Conserve and use water more efficiently
- Implement renewable energy
- Investigate and develop water-marketing strategies
- Mitigate conflict in areas at a high risk of future water conflict
- Accomplish other benefits that contribute to sustainability in the western US

*There are generally significant BIL plus-ups to the grant programs over what has been requested by Reclamation.



<https://www.usbr.gov/watersmart/>

Genevieve Allan; gallan@usbr.gov



Hazard Mitigation Assistance Programs

Hazard Mitigation Grant Program



HMGP is a post-disaster program that may only become available following a Presidential disaster declaration. The Governor or Tribal Chief Executive must request HMGP for it to become available. HMGP is authorized by Section 404 of the Stafford Act. The cost share is typically 75% federal and 25% nonfederal shares.

Building Resilient Infrastructure and Communities



BRIC is a pre-disaster program that supports capability & capacity-building, encouraging and enabling innovation, promoting partnerships, and enabling large projects. BRIC is a result of amendments made to Section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by Section 1234 of the Disaster Recovery Reform Act of 2018 (DRRA). The Cost Share is 75% federal share and 25% non-federal share.



FEMA

Matthew Rollins CFM

Grant Management Specialist | Hazard Mitigation Assistance
Branch | FEMA Region VI

Mobile: (202) 674-8430; Matthew.rollins@fema.dhs.gov





USACE CIVIL WORKS AUTHORITIES

1. GENERAL INVESTIGATION

- **LARGE SCALE PROJECT > \$10,000,000**
- **COMPLEX WATER RESOURCE PROBLEMS**
- **PROJECT HAS TO BE AUTHORIZED BY CONGRESS**
 - Water Resourced Development Act typically passed every two years

2. CONTINUING AUTHORITIES

- **SMALL SCALE PROJECT < \$10,000,000 FEDERAL**
- **EXPEDITES PROJECT DEVELOPMENT AND APPROVAL**
- **PRE-APPROVED FEASIBILITY STUDY, DESIGN, AND CONSTRUCTION**

3. TECHNICAL ASSISTANCE

- **SMALL SCALE STUDY**
- **DOES NOT LEAD TO DETAILED DESIGN OR CONSTRUCTION**

4. TRIBAL PARTNERSHIP PROGRAM

- **FLOOD RISK, ECO RESTORATION, CULTURAL PRESERVATION**

5. ENVIRONMENTAL INFRASTRUCTURE

- **WATER SUPPLY AND TREATMENT INFRASTRUCTURE**
- **ACEQUIA PROGRAM**

Ryan Gronewold, P.E.

Ryan.p.gronewold@usace.army.mil

505-314-6788



- R&D + pilot projects related to desalination
- ~\$1M per award, \$75M available in FY25



- Applied R&D funding for small businesses + non-profits
- \$3M+ available over three project phases, starting at \$200k



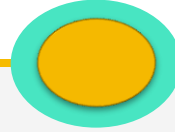
**Partnership
Project
(ETIPP)**

- Technical assistance via National Labs + partners
- Support for remote communities to develop energy resilience projects

**Regional
Energy-Water
Demonstrations
(REWDs)**

- RD&D hubs focused on local issues
- Shared physical + intellectual resources
- Scoping underway via NASEM

REGIONALIZATION/TECH ASST PROGRAM (“TAP”)



- “NMFA” will utilize \$3.5 million of Water Project Funds to hire contractors to provide direct technical assistance to water systems.
- (“TAP”) will provide a project management team that will support water service providers through “on-call” services.
- “On-call” services include attorneys, community facilitators, accountants and project managers.
- Water service providers will be required to regionalize in compliance with the Regional Water System Resiliency Act.
- Entities will submit a Letter of Interest to the Water Trust Board through the “NMFA”.

Donnie Quintana
New Mexico Finance Authority
dquintana@nmfa.net



New Mexico Match Fund

- Provides eligible entities with funding to increase competitiveness for federal grant program opportunities that require a local match.
 - Matching Grant program
 - Project Implementation Grant program
 - Federal Compliance Offset Grant program
- \$75 million funded by the legislature in the first year.

Land of Enchantment Legacy Fund

- Established by the NM Legislature in 2023
- Recurring funding for conservation.
- \$50 million – permanent trust to support water stewardship, forest and watershed health, outdoor recreation, agriculture, historic preservation, and wildlife species protection.
- \$50 million – existing state programs

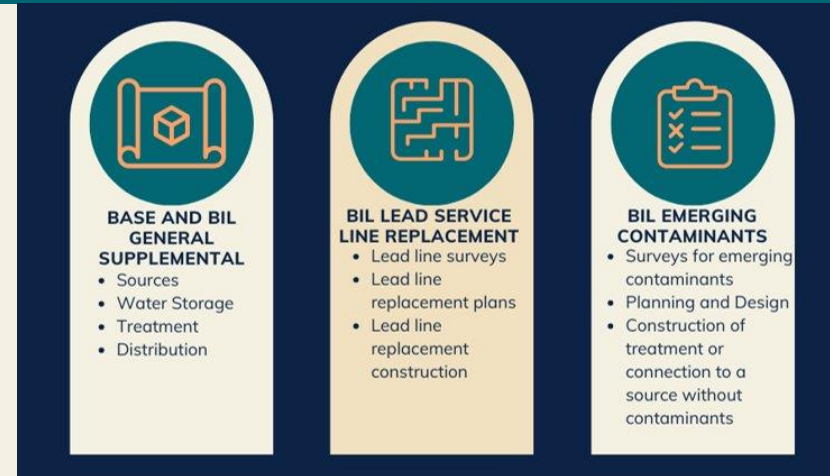
Ethan Branch
Ethan.Branch@dfa.nm.gov
(505)-538-5667
Funding Assistance Navigator
DFA: Infrastructure Planning and
Development Division



NMED-Drinking Water Bureau (DWB) & Surface Water Quality Bureau (SWQB) Funding Programs

Drinking Water State Revolving Loan Fund

- ❑ Funds public water system infrastructure projects
- ❑ Loan program with some principal forgiveness
- ❑ Pre-applications accepted year-round; 4 fundable lists/year
- ❑ 3 funding sources
 - Base and BIL General Supplemental
 - BIL Lead Service Line Replacement
 - BIL Emerging Contaminants



The River Stewardship Program: NMED-SWQB awards state funds for the design and construction of projects that improve surface water quality and river habitat statewide.

- ❑ Funding from Capital Outlay and Land of Enchantment Legacy Fund and one-time funding from American Rescue Plan Act.
- ❑ Next Request for Proposals will be announced in Spring of 2025 and will be open for 60 days with ~ \$1.5M - \$11.5M in available funds. No match requirement.

Clean Water Act (CWA) Section 319(h) Program: NMED-SWQB awards projects with federal funds that improve water quality that has been impaired by nonpoint sources of pollution. 10% non-federal match requirement.

- ❑ Next funding opportunity (~\$240K) to develop a 9-element Watershed-Based Plan (WBP) that identifies strategies and projects to address nonpoint source pollution will be announced Dec. 2024-Jan. 2025.
- ❑ Next funding opportunity (~\$820K) to implement projects from a WBP or a Wetlands Action Plan will be announced Dec. 2024-Jan. 2025 – can fund education and outreach activities.

Forestry Funding Programs

Program	Purpose	Tips from the Field	Funding Amounts
Collaborative Capacity Program for Forests and Communities (USFS, NFF)	Invests in resources and support activities to enable collaboration for forest stewardship.	<ul style="list-style-type: none"> Requires USFS or Tribal Government letter of support. 	<p>\$800,000 per funding cycle</p> <p>Typical award is \$10,000 to \$150,000</p>
Hazardous Fuels on Non-federal Lands (NFL)	Fund projects that reduce threat to communities that are surrounded by hazardous forest fuels and adjacent to federal lands.	<ul style="list-style-type: none"> Administered by State Forestry. Applications due in April. 	Awards up to \$400,000.
Community Wildfire Defense Grant (USFS and NMSF)	Community Wildfire Protection Plans (CWPPs), partnerships and on-the-ground projects are eligible.	<ul style="list-style-type: none"> 10% match for CWPPs, 25% match for implementation projects. Can be waived for underserved communities or tribal applicants. Project must be in the CWPP or Hazard Mitigation Plan. Administered by NMSF. 	<p>Funded by BIL at \$1 billion; being implemented at \$250 million per round.</p> <p>\$16.3 million to New Mexico.</p> <p>\$250K limit to CWPP updates, \$10M limit for implementation projects</p>
Landscape Scale Restoration (USFS and NMSF)	Supports collaborative restoration of priority forest landscapes.	<ul style="list-style-type: none"> Aims to leverage public and private resources, and advance priorities identified in a State Forest Action Plan. 50-50 match requirement. 	Awards up to \$300,000.
<u>Wildland Urban Interface (WUI) Grant</u> (USFS and NMSF)	Projects to reduce fire threat to WUI communities.	<ul style="list-style-type: none"> Hazardous fuels reduction in WUI, education programs, and CWPPs are eligible. Administered by the Council of Western State Foresters. 50-50 match requirement. 	Awards up to \$300,000.

Erin McElroy
 New Mexico Energy, Minerals & Natural Resources Department
 Forestry Division
 505-490-7378; erin.mcelroy@emnrd.nm.gov



Philanthropy

Nonprofits

Support projects to accelerate progress on selected topics.

Assist communities and partners in accessing federal funds.

Highlight gaps in funding and can provide policy advocacy.

Foundations

Private and community foundations are potential partners in this effort.

Community foundations and pooled or aligned funds may be focused on a particular issue or geography.

Can support the nonprofit sector in advocating for policy change to improve the public funding landscape.

Philanthropy

Funds are more flexible and accessible.

Potential source of non-federal match and other indirect costs

Provides capacity for leveraging larger public funds

Shana Baker

Pursuing Federal Funds Policy Associate

thornburgfoundation.org

505 670 3206 cell

Schedule a meeting with me: <https://calendly.com/shana-hvbt>

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- SP can pay for 100% or any combination of design, materials, installation, monitoring, and maintenance of robustly engineered essential assets
- Zero upfront costs
- No mark up on capital, products, or services
- Asset use is entirely in your control
- Month-to-month contract with no termination penalties, just provide 30 days' notice
- Simple, 10-page contract is similar to paying an electricity/gas/water bill and not recognized as a debt on the balance sheet
- Monthly usage-fees aligned with your revenue sources
- Anytime option to take ownership of assets; cost prorated to remaining useful life
- Open book accounting, contracts, warranties, designs and documentation

SP solves your needs for infrastructure and partners with you to keep it reliable, safe, and improving.



“Ask Me Anything” - Discussion Tables

Moderated by: Emily Geery (SWCA)

11:15 am – 12:00am

Breakout Sessions for Integrated Water Financing Plan Demonstration Projects

1:00 – 2:00 pm

Jeopardy: Water and Funding

2:30 pm – 3:00 pm

Envisioning a New Mexico Federal Agency Support Team (NM FAST)

3:00 – 3:45 pm

Moderated by: Emily Geery (SWCA) and Gretel Follingstad (WestFAST, NIDIS-NOAA)

The Western States Federal Agency Support Team (WestFAST)



- Established in 2008 at the request of the WGA, to support the WSWC, and other western water resource partners help coordinate and improve Federal efforts regarding water resources
- A collaboration of 16 Federal agencies with water management responsibilities in the Western US

WestFAST



SCOPE:

- Provide excellent opportunities for cross-agency discussions and leveraging of shared knowledge.
- Formulate and promote new concepts and practices to improve the planning and execution of Federal and State water policies and programs to better preserve and manage water in the West.
- Identify and promote the most efficient and productive cooperation and collaboration practices between state and federal agencies.



WestFAST supports a continued commitment on the part of Federal and State organizations to work with local, Tribal, and other stakeholders to improve the effectiveness of collaboration and seek solutions to water issues across Western States.

WestFAST



STRUCTURE:

- Administrative functions rely on Western States Water Council staff and resources
- Rotating leadership
- Attendance at WSWC meetings (3x/year)
- Direct outreach and participation in Council committees and initiatives



WestFAST supports a continued commitment on the part of Federal and State organizations to work with local, Tribal, and other stakeholders to improve the effectiveness of collaboration and seek solutions to water issues across Western States.

Recent Efforts and Activities

- Assisted Nevada Update to State Planning Documents
- New Mexico State Planning
- Webinar Series:
 - Wildland Fire
 - Pumped Storage Hydropower
 - Stream Restoration and Water Rights
- Monthly Newsletter
- Facilitate Problem Solving at the State Level



WestFAST Webinar 2: Science of Aquatic Restoration

TOPIC

Understanding the mechanisms by which river systems work and how aquatic restoration projects aim to alter them

THEME

Outcomes are contingent on location, implementation approach, time since install, and myriad other factors both within and outside of human control.

TAKEHOMES

- Landscapes are complicated – beware grand theories.
- There is no good or bad channel absent human values – know yours!
- The jury remains out on streamflow, but not because there's no effect.

TASK

Think about aquatic restoration projects with which you're familiar – does what you witness align with the mental model we're building here? Does it suggest something different or that we missed? **Let us know in the chat!**



New Mexico Federal Agency Support Team

Question 1: Scope

What value would a “future” NM FAST provide to your organization’s ability to deliver benefits to New Mexico’s water resources?

New Mexico Federal Agency Support Team

Question 2: Structure

What features of a “future” NM FAST are most critical to achieve the benefits identified in Question 1?

THANK YOU!