
New Mexico Water Trust Board

2024 Annual Report

December 1, 2024



Union del Llano MDWCA – Phase III Storage Tank

Introduction

The Water Trust Board (“WTB”) was established by the 2001 Legislature through the enactment of the Water Project Finance Act (the “Act”). The statutory purpose of the 16-member Board is to provide for water use efficiency, resource conservation and protection, and the fair distribution and allocation of New Mexico’s scarce water resources for beneficial purposes within the state. The WTB’s current composition includes the following members:

Mike Hamman, New Mexico State Engineer, *Chair (Feb. 2022-Jul. 2024)*

Elizabeth Anderson, New Mexico State Engineer, *Chair (Oct. 2024 – present)*

A.J. Forte, Executive Director, New Mexico Municipal League, *Vice-Chair*

Michael Sloane, Director, New Mexico Department of Game and Fish, *Secretary*

Mark Thompson, New Mexico Indian Affairs Department Appointee, *Treasurer (May 2023 – Sept. 2024)*

Greg Alpers, Representative, Irrigation or Conservancy District – Surface Water

Joy Esparsen, Executive Director, New Mexico Counties

James Kenney, Secretary, New Mexico Environment Department

Priscilla Lucero, Representative, Environmental Community

Timothy D. McGinn, Representative, Irrigation or Conservancy District – Ground Water

Dr. Buu Nygren, President, Navajo Nation

Melanie A. Kenderdine, Secretary, Energy, Minerals & Natural Resources Department

Wayne Propst, Secretary, Department of Finance and Administration

Marquita Russel, Chief Executive Officer, New Mexico Finance Authority

Jeff Witte, Secretary, Department of Agriculture

VACANT, Representative, Acequia Water Users

The WTB recommends qualifying water projects to the Legislature for financing by the New Mexico Finance Authority (NMFA) from the Water Project Fund (the “Fund”). In 2007, the WTB established policies to aid in the effective management of the program. These policies set the following goals:

- Devise and implement a systematic, integrated approach to selecting qualified projects that are fiscally sustainable and natural-resource responsible;
- Encourage participation in regional efforts to collaborate on long-term solutions with other community water systems in an appropriate geographic region;
- Promote conservation and highly efficient use of the state’s limited water supplies;
- Set standards for funding based on sound business practices, conservation and efficiency;
- Support the public health and economic vitality of New Mexico through comprehensive planning and investment in infrastructure;
- Create water delivery systems that are hydrologically and fiscally sustainable and meet state and federal statutory and regulatory requirements;
- Protect New Mexico’s investment in water by requiring accountability and stability, thereby decreasing the future demand for state funding; and
- Promote restoration and management of watersheds, including water quality improvements, riparian ecosystem restoration, Endangered Species Act protection and healthy forest initiatives.



City of Albuquerque – Ladera Park Water Conservation Project

Water Project Fund

Pursuant to the Act, NMFA may make loans and grants from the Water Project Fund to qualified entities for projects prioritized by the WTB, authorized by the Legislature, and on terms and conditions established by NMFA. By statute, five types of projects may be funded from the Water Project Fund:

1. Storage, conveyance or delivery of water to end users;
2. Implementation of federal Endangered Species Act collaborative programs;
3. Restoration and management of watersheds;
4. Flood prevention;
5. Water conservation or recycling, treatment or reuse of water.

Water Project Fund Activity in FY 2024

In FY 2024, NMFA closed 47 Water Trust Board funding agreements, and 28 projects were certified as complete. In addition, approximately \$40.5 million of WPF funds were disbursed in FY 2024 for eligible project costs.



Rio Lucio MDWCA – Waterline Replacement

Water Trust Board Projects Funded by County

County	# of Awards	Amount
Bernalillo	39	\$81,106,984
Catron	4	\$776,731
Chaves	5	\$19,026,061
Cibola	12	\$13,962,788
Colfax	12	\$8,181,609
Curry	7	\$18,685,906
De Baca	1	\$385,000
Doña Ana	32	\$49,414,897
Eddy	8	\$10,054,372
Grant	4	\$983,990
Guadalupe	13	\$9,971,689
Harding	9	\$4,957,143
Hidalgo	2	\$1,232,781
Lea	10	\$22,469,908
Lincoln	31	\$32,777,154
Los Alamos	14	\$19,137,260
Luna	13	\$11,961,016
McKinley	25	\$72,970,989
Mora	8	\$5,737,798
Multi Counties	48	\$120,289,442
Otero	8	\$10,298,705
Quay	13	\$11,918,968
Rio Arriba	53	\$35,330,910
Roosevelt	7	\$16,427,104
San Juan	22	\$37,020,057
San Miguel	26	\$37,734,951
Sandoval	29	\$29,593,242
Santa Fe	47	\$64,971,233
Sierra	9	\$21,448,277
Socorro	6	\$7,284,222
Taos	47	\$61,667,660
Torrance	9	\$4,639,050
Union	1	\$2,000,000
Valencia	5	\$3,219,000
Total	579	\$847,636,897

Prepared by NMFA Staff October 2024

2024 Funding Cycle

Pursuant to WTB rules, applications submitted by qualified entities for qualified projects are evaluated prior to the WTB recommending projects to the Legislature for authorization. As part of the evaluations, applicants are required to meet certain application standards, which include mandatory planning documents, and a Preliminary Expenditure Target that was first introduced in the 2017 application cycle.

The WTB application cycles are structured as a two-part cycle: 1) Project Application; and 2) Readiness Application.

On July 31, 2023, NMFA received 91 Notices of Intent to file an application. On September 15, 2023, 66 applications totaling more than \$276.7 million were filed.



Dona Ana MDWCA – Tank Rehabilitation

On October 3, 2023, eighteen applicants submitted waiver requests (one planning; 17 Preliminary Expenditure Target). The WTB approved all preliminary expenditure target waiver requests. The remaining 65 applications moved forward for review, and all were recommended to the Legislature for authorization.

Pursuant to WTB policies, applicants that are recommended for funding are required to demonstrate compliance with relevant regulations and WTB policies at the time their

Readiness Applications are submitted. Three agencies, the New Mexico Environment Department-Drinking Water Bureau, Office of the State Engineer and NMFA, determine compliance for the WTB projects.

2024 Water Project Fund

The Water Project Fund (“WPF”) receives annually a 9% earmark of the Senior Severance Tax Bonds (“STBs”) and a \$4 million distribution from the Water Trust Fund (“WTF”). From these amounts, 10% has historically been sent to the Office of the State Engineer (“OSE”) and Administrative Office of the Courts for adjudication purposes. In the 2024 Regular Legislative Session, HB2 appropriated an additional \$50 million to the WPF to be awarded in the 2024 WTB cycle. HB211 reduced the funds to OSE with a \$4 million CAP and provided a 2% set-aside for the Courts. Pursuant to WTB policies, the maximum amount a single project can receive is 15% of the total available funding, or approximately \$25 million for the FY 2024 application cycle.

On April 23, 2024, the Water Trust Board awarded 44 projects in the amount of \$136,655,526. Due to the timing of the award decisions, six highly ranked applicants (10 applications) could not be awarded and certified due to not meeting regulatory compliance with the EO-Compliance/State Audit Rule (4) and NMED-Drinking Water Bureau compliance (2). These applications were prioritized in the higher range of their project types. The WTB extended the compliance deadline for funding consideration for these 10 applications until July 5, 2024. Six additional applications that scored well below the project type average were not recommended for funding. If the higher prioritized projects did not meet the July 5, 2024, deadline, these six applications would be considered for funding within the 2nd iteration. The Board postponed the funding decision for the remaining balance of available funds (\$30,472,074) until August 2024.

On August 7, 2024, ten additional projects under the 2nd funding iteration were awarded in the amount of \$30,102,015. The remaining balance of \$790,059 will be used as a set-aside to assist the 2024 awardees for construction cost overruns.

2024 WTB Recommended Project List for [Legislative Authorization](#) as Approved by WTB on
October 24, 2023

Applicant	County	Project Name	Amount Requested
Water Conservation			
ABCWUA	Bernalillo	Phase 8 Advanced Metering Infrastructure	\$ 2,000,000
ABCWUA	Bernalillo	Arsenic Treatment Facilities (Thomas Wells)	\$ 14,000,000
Elida, Town of	Roosevelt	Wastewater reuse project	\$ 2,600,000
Farmington, City of	San Juan	Water Treatment Plants 1, 2 & Distribution System	\$ 20,000,000
Lower Rio Grande PWWA	Dona Ana	Valle del Rio water treatment project	\$ 718,000
Santa Fe, City of	Santa Fe	Canyon Road Water Treatment Plant Improvements	\$ 7,750,000
Santa Fe, City of	Santa Fe	San Juan-Chama return pipeline	\$ 2,000,000
Flood Prevention			
Albuquerque, City of	Bernalillo	John St. ponds/storm drain	\$ 6,098,589
Dona Ana County	Dona Ana	Dragonfly Channel Phase III	\$ 5,000,000
Lincoln County	Lincoln	Magado Creek concrete box culvert	\$ 1,190,000
McKinley County	McKinley	CR43 Superman Canyon drainage	\$ 3,150,000
Santa Fe Pojoaque SWCD	Santa Fe	Santa Cruz Flood Control Dam Site 1 Reconstruction	\$ 1,100,000
SSCAFCA	Sandoval	Riparia Pond Flood Mitigation	\$ 1,150,000
Sunland Park, City of	Dona Ana	Municipal Complex Water Quality and Flood Control	\$ 450,000
Upper Rio Grande WD	Rio Arriba	URGWD Dam Site #1 Sediment Removal	\$ 350,000
Water Storage			
ABCWUA	Bernalillo	Expansion of DWTP	\$ 15,000,000
Artesia, City of	Eddy	Water supply well	\$ 687,650
Canon MDWCA	Sandoval	Water system improvements	\$ 4,854,620
Capulin MDWCA	Rio Arriba	Water system improvements phase I	\$ 500,000
Cerro Regional MDWC&SWA	Taos	Cerro Water System Improvements Ph. II	\$ 1,200,000
Chama, Village of	Rio Arriba	Water Treatment Plant	\$ 8,500,000
Chippeway Park WA	Otero	Chippeway Park Ph. 2	\$ 270,000
Eastern NMWUA	Curry	Raw water conveyance & facilities	\$ 20,000,000
El Prado W&SD	Taos	Phase III Abeyta Settlement Rio Grande Well No. 4	\$ 5,000,000
El Rito Regional W&WWA	Rio Arriba	Water System Improvements Phase II	\$ 1,874,600
Eldorado Area WSD	Santa Fe	Monte Alto pipeline replacements	\$ 750,000
Enchanted Forest MDWCA	Lincoln	EFMDWCA distribution system	\$ 2,400,000
Espanola, City of	Rio Arriba	New well construction	\$ 2,454,887
Espanola, City of	Rio Arriba	Water Storage Tank Rehabilitation	\$ 215,165
Espanola, City of	Rio Arriba	Riverside waterline improvements	\$ 13,603,500
Eunice, City of	Lea	Water tanks project	\$ 1,818,640
Flora Vista MDWCA	San Juan	Water system improvements Ph. I	\$ 531,222
Gallup, City of	McKinley	Cast iron/AC pipe replacement	\$ 6,850,796
Jal, City of	Lea	Transmission Line Phase III	\$ 3,247,654
Las Cruces, City of	Dona Ana	Telshor tank rehab	\$ 3,000,000
Logan, Village of	Quay	Canadian River Water Pipeline Crossing	\$ 2,200,000
Lower Rio Grande PWWA	Dona Ana	S. Valley water systems regionalization project	\$ 5,644,105
Luna County	Luna	People Waters Coop design/const. 24	\$ 2,952,253
Middle Rio Grande CD	Bernalillo	MRGCD Socorro Division Conveyance Improv Phase II	\$ 10,000,000
Ojo Caliente MDWCA	Rio Arriba	Water storage tank	\$ 672,840
Pena Blanca WSD	Sandoval	Waterline Replacement	\$ 7,342,200
Peñasco MDWCMSWA	Taos	Water system improvements	\$ 1,320,000
Pendaries Village MDWCA	San Miguel	Water System Improvements	\$ 7,000,000
Portales, City of	Roosevelt	2024 Portales Water Storage System Improvements	\$ 500,000
Portales, City of	Roosevelt	Wellfield Improvements	\$ 19,500,000
Questa, Village of	Taos	Water well	\$ 1,800,000
Ramah WSD	McKinley	Water system improvements	\$ 440,000
Raton, City of	Colfax	Water Storage Tank Rehabilitation	\$ 1,250,000
Rio Lucio MDWCA	Taos	Water system improvements	\$ 190,000
Ruidoso, Village of	Lincoln	Tank Restoration Ph. II	\$ 1,187,944
Ruidoso, Village of	Lincoln	County Club Subdivision Waterline Replacement	\$ 3,645,695
San Antonio MDWCA	Socorro	PER	\$ 100,000
Sangre de Cristo Regional MDWC&MSWA	Guadalupe	New Dilia well	\$ 1,547,600
Santa Fe, City of	Santa Fe	Nichols Dam Repair	\$ 5,500,000
Santa Rosa, City of	Guadalupe	Waterline Replacement	\$ 2,150,000
Sierra Vista MDA	Bernalillo	Waterline Replacement	\$ 638,440
Taos Ski Valley, Village of	Taos	Water distribution system improvements	\$ 13,125,000
Truth or Consequences, City of	Sierra	Waterline Replacement	\$ 16,000,000
Union Del Llano MDWCA	Taos	Water system improvements ph. 4	\$ 1,579,260
Watrous MDWCA	Mora	Water system improvements	\$ 1,200,000
Watersheds			
Claunch Pinto SWCD	Torrance	Estancia Basin Watershed Heath, Restoration	\$ 600,000
Claunch Pinto SWCD	Torrance	Greater Rio Grande Watershed Alliance	\$ 600,000
San Juan SWCD	San Juan	2024 San Juan WTB	\$ 500,000
Upper Chama SWCD	Rio Arriba	Bldg. resiliency	\$ 750,000
Ute Creek SWCD	Harding	Canadian River watershed fire mitigation	\$ 1,000,000

The WTB awarded 54 projects in the 2024 WTB cycle: forty-four on April 23, 2024, and ten on August 7, 2024:

2024 WTB Awards as Approved by WTB on April 23, 2024

Project No.	Applicant	County	Project Name	Funding Recommendation
Flood Prevention				
WPF-6274	Dona Ana County	Dona Ana	Dragonfly Channel Phase III	\$ 5,000,000
WPF-6290	Lincoln County	Lincoln	Magado Creek concrete box culvert	\$ 1,190,000
WPF-6296	McKinley County	McKinley	CR43 Superman Canyon drainage	\$ 3,150,000
WPF-6320	SSCAFCFA	Sandoval	Riparia Pond Flood Mitigation	\$ 1,150,000
WPF-6321	Sunland Park, City of	Dona Ana	Municipal Complex Water Quality and Flood Control	\$ 450,000
Water Conservation or Treatment, Recycling or Reuse				
WPF-6261	ABCWUA	Bernalillo	Phase 8 Advanced Metering Infrastructure	\$ 2,000,000
WPF-6262	ABCWUA	Bernalillo	Arsenic Treatment Facilities (Thomas Wells)	\$ 200,000
WPF-6285	Farmington, City of	San Juan	Water Treatment Plants 1, 2 & Distribution System	\$ 20,000,000
WPF-6292	Lower Rio Grande PWWA	Dona Ana	Valle del Rio water treatment project	\$ 718,000
Water Storage, Conveyance and Delivery				
WPF-6265	Artesia, City of	Eddy	Water supply well	\$ 687,650
WPF-6269	Chama, Village of	Rio Arriba	Water Treatment Plant	\$ 1,722,175
WPF-6271	Chippeway Park WA	Otero	Chippeway Park Ph. 2	\$ 270,000
WPF-6275	Eastern NMWUA	Curry	Raw water conveyance & facilities	\$ 20,000,000
WPF-6276	El Prado W&SD	Taos	Phase III Abeyta Settlement Rio Grande Well No. 4	\$ 5,000,000
WPF-6278	Eldorado Area WSD	Santa Fe	Monte Alto pipeline replacements	\$ 750,000
WPF-6280	Enchanted Forest MDWCA	Lincoln	EFMDWCA distribution system	\$ 2,400,000
WPF-6284	Eunice, City of	Lea	Water tanks project	\$ 1,818,640
WPF-6286	Flora Vista MDWCA	San Juan	Water system improvements Ph. I	\$ 531,222
WPF-6287	Gallup, City of	McKinley	Cast iron/AC pipe replacement	\$ 548,064
WPF-6288	Jal, City of	Lea	Transmission Line Phase III	\$ 3,247,654
WPF-6289	Las Cruces, City of	Dona Ana	Telshor tank rehab	\$ 3,000,000
WPF-6297	Middle Rio Grande CD	Bernalillo	MRGCD Socorro Division Conveyance Improv Phase II	\$ 10,000,000
WPF-6298	Ojo Caliente MDWCA	Rio Arriba	Water storage tank	\$ 672,840
WPF-6300	Peñasco MDWCMSWA	Taos	Water system improvements	\$ 1,320,000
WPF-6301	Pendaries Village MDWCA	San Miguel	Water System Improvements	\$ 7,000,000
WPF-6302	Portales, City of	Roosevelt	2024 Portales Water Storage System Improvements	\$ 500,000
WPF-6303	Portales, City of	Roosevelt	Wellfield Improvements	\$ 7,593,042
WPF-6304	Questa, Village of	Taos	Water well	\$ 1,800,000
WPF-6305	Ramah WSD	McKinley	Water system improvements	\$ 440,000
WPF-6306	Raton, City of	Colfax	Water Storage Tank Rehabilitation	\$ 1,250,000
WPF-6307	Rio Lucio MDWCA	Taos	Water system improvements	\$ 190,000
WPF-6308	Ruidoso, Village of	Lincoln	Tank Restoration Ph. II	\$ 1,187,944
WPF-6309	Ruidoso, Village of	Lincoln	County Club Subdivision Waterline Replacement	\$ 3,645,695
WPF-6310	San Antonio MDWCA	Socorro	PER	\$ 100,000
WPF-6312	Sangre de Cristo Regional MDWCMSWA	Guadalupe	New Dilia well	\$ 1,547,600
WPF-6317	Santa Rosa, City of	Guadalupe	Waterline Replacement	\$ 2,150,000
WPF-6322	Taos Ski Valley, Village of	Taos	Water distribution system improvements	\$ 1,575,000
WPF-6323	Truth or Consequences, City of	Sierra	Waterline Replacement	\$ 16,000,000
WPF-6328	Watrous MDWCA	Mora	Water system improvements	\$ 1,200,000
Watershed Restoration and Manage				
WPF-6272	Claunch Pinto SWCD	Torrance	Estancia Basin Watershed Heath, Restoration	\$ 600,000
WPF-6273	Claunch Pinto SWCD	Torrance	Greater Rio Grande Watershed Alliance	\$ 600,000
WPF-6311	San Juan SWCD	San Juan	2024 San Juan WTB	\$ 500,000
WPF-6325	Upper Chama SWCD	Rio Arriba	Bldg. resiliency	\$ 750,000
WPF-6327	Ute Creek SWCD	Harding	Canadian River watershed fire mitigation	\$ 1,000,000

2nd Iteration 2024 WTB Awards as Approved by WTB on August 7, 2024

Project No.	Applicant	County	Project Name	Funding Recommendation
Flood Prevention				
WPF-6313	Santa Fe Pojoaque SWCD	Santa Fe	Santa Cruz flood control dam site I	\$ 1,100,000
Water Conservation or Treatment, Recycling or Reuse				
WPF-6314	Santa Fe, City of	Santa Fe	Canyon rd. water treatment plant improvements	\$ 7,750,000
WPF-6315	Santa Fe, City of	Santa Fe	San Juan-Chama return pipeline	\$ 2,000,000
Water Storage, Conveyance and Delivery				
WPF-6263	ABCWUA	Bernalillo	Expansion of DWTP	\$ 902,500
WPF-6266	Canon MDW&SWA	Sandoval	Water system improvements	\$ 4,854,620
WPF-6267	Capulin MDWCA	Rio Arriba	Water system improvements	\$ 500,000
WPF-6291	Logan, Village of	Quay	Canadian River water pipeline crossing	\$ 381,800
WPF-6293	Lower Rio Grande PWWA	Dona Ana	S. Valley water system regionalization project	\$ 731,655
WPF-6316	Santa Fe, City of	Santa Fe	Nichols Dam repair	\$ 5,500,000
WPF-6318	Sierra Vista MDA	Bernalillo	Waterline replacement	\$ 6,381,440

Looking Forward to Fiscal Year 2025

Wastewater project eligibility

During the 2024 Regular Legislative Session, HB211 implemented changes to the current statute under the Water Project Finance Act. Some of the key changes include adding Wastewater Conveyance and Treatment as an eligible project type. The Water Trust Board will initiate by resolution, the rule changing process in December. NMFA staff will engage with regulatory agencies and establish specific criteria for wastewater projects in preparation for the 2026 WTB application cycle.

Technical Assistance for Small communities/water systems

HB211 also included the use of the Water Project Fund (“WPF”) to hire contractors to provide technical assistance (“TA”) to small communities and water systems. The TA creates a cost-effective way for these communities to receive appropriate planning documents so that they will be in a better position to apply for design and construction of well-planned projects. In addition, the TA will also encourage systems to regionalize by offering a pathway including but not limited to, costs associated with regionalization. The Water Trust Board set aside \$3.5 million from the 2024 WTB cycle to fund the Technical Assistance Program.

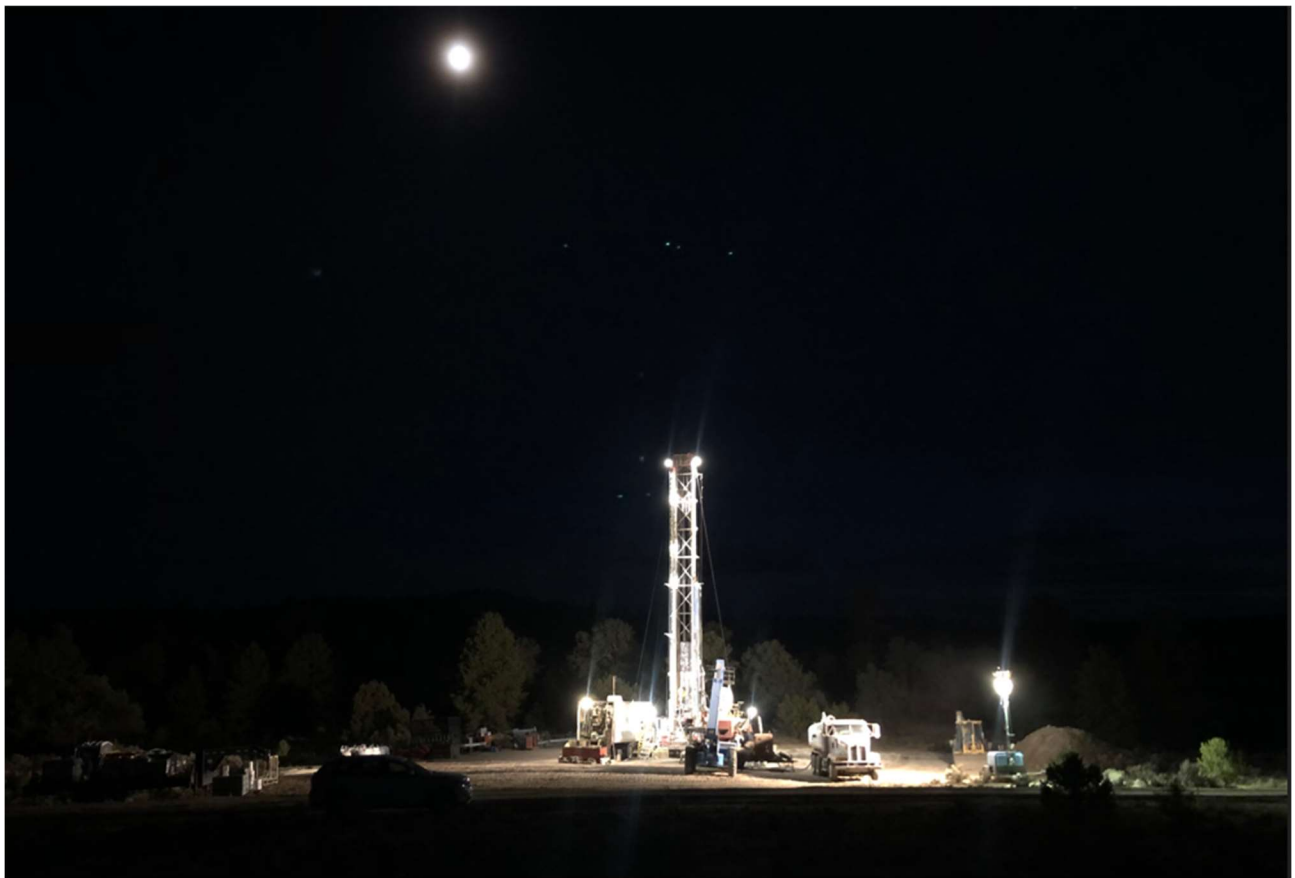
New Mexico Unit Fund

In 2021, HB200 legislation made the Water Trust Board the successor to the Southwest New Mexico Water Study Group for recommending projects to the Interstate Stream Commission (“ISC”) to be funded from the New Mexico Unit Fund, administered by the ISC. NMFA staff worked with ISC on specific guidelines for proposals for “water

utilization alternatives to meet water supply demands” to be funded by the NM Unit Fund. The funding process will begin in early 2025 with implementation and application submissions.

The Water Trust Board, through New Mexico Finance Authority staff, continues to communicate with clients on the status of active projects, and reaches out to communities through trainings on upcoming application cycles. A training was held for the upcoming 2025 WTB application cycle via Teleconference.

NMFA staff will continue to provide additional application training to be held prior to the readiness application in late winter. With the guidance of the current WTB policies and assistance from NMFA staff, communities are better prepared for project funding.



Village of Cuba – Supplemental Water Supply