STAFF RECOMMENDATIONS
FOR
STAKEHOLDER AWSA PROPOSALS

November 14, 2014
Interstate Stream Commission
The Arizona Water Settlements Act (AWSA)

- Amends Colorado River Basin Project Act
- Permits additional average of 14,000 acre-feet/yr consumptive use from Gila Basin.
- Provides up to $128 million in non-reimbursable federal funding (indexed for inflation)
$66 million may be used to fund:
- a New Mexico Unit to develop AWSA water
- water use alternatives (proposals) that will meet water supply demands.
- must be expended in four-county region (SW NM).

$62 million: only to construct a New Mexico Unit (provided on a construction cost-schedule basis)

New Mexico must notify Secretary of Interior by 12/31/14 if NM Unit to be constructed.
# Final Proposals

<table>
<thead>
<tr>
<th>No.</th>
<th>Proponent</th>
<th>Proposal</th>
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<td>1</td>
<td>Catron County</td>
<td>Watershed Restoration</td>
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<td>2</td>
<td>Catron County</td>
<td>Ditch Improvements</td>
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<td>3</td>
<td>City of Deming, Hidalgo County &amp; Gila Basin Irrigation Commission (GBIC)</td>
<td>Combined Diversion &amp; Storage (Southwest Regional Water Supply)</td>
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<td>Gila Basin Irrigation Commission (GBIC)</td>
<td>Irrigation Diversion Structure</td>
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<td>Gila Conservation Coalition</td>
<td>Municipal Conservation Fund</td>
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<td>Gila National Forest (USFS)</td>
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<td>8</td>
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<td>Recreational Reservoir</td>
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<td>9</td>
<td>Grant County Water Commission (GCWC)</td>
<td>Wellfield &amp; Pipeline</td>
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<td>Grant Soil &amp; Water Conservation District (GWSCD)</td>
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<td>14</td>
<td>Sunset and New Mexico New Model Canals</td>
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<td>15</td>
<td>1892 Luna Irrigation Ditch Association</td>
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Locations of 15 Proposals
Proposals’ Evaluations

- Staff used the following methods for constructing decision matrices:
  - Choosing By Advantages (CBA by Importance)
  - Choosing By Advantages (CBA with importance-cost ratios)
  - CBA as modified by ISC to best reflect ISC Gila Policy
  - Multi-Criteria Decision-Making (MCDM)
Proposals’ Evaluations

- Staff also considered:
  - Rankings by benefit-cost ratios from Reclamation and Harvey Economics
  - Rankings by the Gila San Francisco Water Commission
  - All data and information from studies and investigations, stakeholder input, and public comments over the past 10 years
Proposals’ Evaluations

- Staff calculated median and mean values, and ranked the proposals on the median-first, mean-second basis.
- Because water yield could not be estimated, watershed proposals could not be included in matrices.
- Watershed proposals were nevertheless still considered for funding.
## Proposals’ Rankings

<table>
<thead>
<tr>
<th>Proposals</th>
<th>MCDM</th>
<th>CBA (importance)</th>
<th>CBA (using cost factor)</th>
<th>CBA as Modified By ISC</th>
<th>GSWFC</th>
<th>HE BC Ratio</th>
<th>Reclamation BC Ratio</th>
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1. Gila Conservation Coalition’s Municipal Water Conservation Fund

- **Recommended Funding: $1.5 million**
- Funding provided on reimbursement basis.
- Conservation projects qualified by the OSE Water Use and Conservation Bureau.
- Funding terminates no later than Fiscal Year 2020.
- Municipalities may apply for grants and loans from other sources (Water Project Fund, etc.).
1. Gila Conservation Coalition’s Municipal Water Conservation Fund

- Participants to keep data for five years.
- Funds to be matched with 30% local cash contribution.
- Local contribution not to include administrative costs.
Recommended Funding: To be determined

- The Commission notify the SOI by December 31 that New Mexico intends to pursue construction of a New Mexico Unit to develop AWSA water.

- Investigate project phasing
2. SOUTHWEST REGIONAL WATER SUPPLY

- Staff recommends Commission direct staff to:
  - Investigate financing
  - Investigate creation of New Mexico CAP Entity
  - Begin 30% engineering design
  - Coordinate with Reclamation to begin NEPA process
  - Conduct additional studies as required
3. Gila Basin Irrigation Commission
(Irrigation Diversion Structure)

- **Recommended Funding: $750,000**
- Plus prioritize $150,000 from the ISC Acequia Program (one per year from SW NM)
- Additional funding to be obtained through:
  - local contributions
  - state restoration programs
  - NRCS EQIP Program
  - ISC loans
- Benefits water users and environment
4. Catron County Ditches

- **Recommended Funding**: $500,000 (for improved diversions construction only)
- Plus prioritize $150,000 from the ISC Acequia Program (one ditch in SW NM per year)
- Additional funding to be obtained through:
  - local contributions (minimum 10%)
  - state restoration programs
  - NRCS EQIP Program
  - ISC loans
5. Deming Effluent Reuse

- **Recommended Funding:** $1.75 million
- 50% of the design and construction cost.
- Proven, effective conservation method.
- Seek other funding such as WTB, Municipal Conservation Fund, etc.
6. Grant County Reservoir

- **Recommended Funding:** To be determined
- Would greatly enhance local economies.
- Dependent upon construction of the Southwest Regional Water Supply.
- Staff recommends that the Commission direct staff to continue studying combination of Grant County Reservoir and SWRWS.
7. Pleasanton East-side Ditch

- **Recommended Funding: $50,000**
- Plus prioritize $150,000 from the ISC Acequia Program (one ditch in SW NM per year)
- Additional funding to be obtained through:
  - local contributions
  - state restoration programs
  - NRCS EQIP Program
  - ISC loans
8. Sunset & New Model Canals

- **Recommended Funding: $100,000**
- Plus prioritize $150,000 from the ISC Acequia Program (one ditch in SW NM per year)
- Additional funding to be obtained through:
  - local contributions
  - state restoration programs
  - NRCS EQIP Program
  - ISC loans
9. GCWC Wellfield & Pipeline

- **Recommended Funding:** $2.1 million

- Most recommended in NM 1st Gila Town Hall.

- Funding is ~70% of the design and construction cost to deliver water to Hurley.

- Hurley has no water rights.

- Hurley’s agreement with FMI expires in 2018.

- Staff recommends that the Commission require Silver City to convey title to well field water rights to Hurley.
10. 1892 Luna Irrigation Ditch

- **Recommended Funding:** $100,000
- Plus prioritize $150,000 from the ISC Acequia Program (one ditch in SW NM per year)
- Benefits water users and environment.
- Additional funding to be obtained through:
  - local contributions
  - state restoration programs
  - NRCS EQIP Program
  - ISC loans
11. Watershed Proposals

- **Recommended Funding: up to $1 million**
- As a one-to-one match of the total combined local, state, and federal contributions.
- for a well-monitored 10-year watershed study in the Gila Basin to:
  - quantify water yield and
  - determine potential environmental benefits
11. Watershed Proposals

- A steering committee to develop the study:
  - Watershed proposal proponents, ISC, NM Watershed Institute, NMED, EMNRD.
  - Must accurately monitor water yield.
- All members must contribute matching funds.
Conclusion

- Staff recommends allocating up to $7.85 million from the New Mexico Unit Fund.
- Staff recommends giving highest priority to sending notice to SOI that New Mexico intends to construct the New Mexico Unit.
- Staff requests Commission approval to contract for additional legal services up to $500,000.
Conclusion

- Staff recommended no project for full funding as local stakeholders should share in costs.

- Proponents are encouraged to seek additional funding from other state and federal programs such as:
  - NRCS, Desert LCC & WaterSMART programs, Colonias Infrastructure Project Fund, Water Trust Board, ISC Acequia Program & Loans, River Stewardship Program, etc.