

EVALUATION PROCESS AND APPLICATION FOR PROJECTS OR WATER UTILIZATION ALTERNATIVES PROPOSALS TO BE FUNDED UNDER THE ARIZONA WATER SETTLEMENTS ACT

SUMMARY OF PROCESS

Pursuant to the Arizona Water Settlements Act of 2004 (AWSA), P.L. 108-251, the New Mexico Interstate Stream Commission (ISC) will accept applications for the New Mexico Unit of the Central Arizona Project (NM Unit) or water utilization alternatives that meet water supply demands to be funded with funds available under the AWSA. Application submission and evaluation will be in a two-tiered format. Applications for proposals satisfying both tiers may be considered by the ISC for further review and possible funding as the State develops a plan for developing AWSA water and available funding.

Tier-1: Tier-1 applications must provide, as best and with as much detail as the applicant is able, the information required in Section 1. Applicants seeking an optional preliminary review of an application must submit the Tier-1 application by May 1, 2011. Final Tier-1 applications must be submitted no later than June 30, 2011. **Applications to develop AWSA water or funding will not be accepted after June 30, 2011.**

Tier-2: Only those applications that satisfy Tier-1 requirements will be eligible for Tier-2 consideration. Applicants seeking an optional preliminary review of a Tier 2 application must submit the by October 14, 2011. Final Tier 2 applications must be submitted by December 15, 2011. Only those applications that qualify for Tier-2 consideration will be eligible for selection by the ISC for initial funding and/or further study and assessment.

Individuals and entities eligible to submit applications include: (i) local governments or municipalities; (ii) soil and water conservation districts, irrigation districts or commissions, acequias, or other political subdivision of the State of New Mexico; (iii) institutions of higher education or a consortium of such institutions; (iv) non-profit organizations or associations; (v) private individual/s; (vi) corporations; and (vii) federal agencies.

Section 1. Tier-1 Applications

Tier-1 applicants must use the Tier-1 application form. The application and schedule is attached or is available on the ISC's website at http://www.ose.state.nm.us/isc_colorado_gila_sanfran_committee.html. The preferred method to submit Tier-1 applications is electronically via email to craig.roepke@state.nm.us. Alternatively, ten (10) hardcopies may be delivered via postal mail or courier service with a postmark or courier service's time and date stamp dated on or before 5:00 pm MST on June 30, 2011. Hardcopy applications may be requested from the New Mexico Interstate Stream Commission, Attn: Craig Roepke, P.O. Box 25102, Santa Fe, NM 87504-5102. Completed hardcopy applications should be sent to the New Mexico Interstate Stream Commission, Attn: Craig Roepke, P.O. Box 25102, Santa Fe, NM 87504-5102, or delivered to the ISC at 407 Galisteo Street, Bataan Memorial Bldg. in Santa Fe.

Comprehensive responses to each criteria listed should be supported by the best available science and scientific data, studies, models, and, where applicable, cite state, regional, or other water plans. Where such data and information is not available, applications should include best estimates and describe how such information would be obtained. Applications that do not include the requested information will not satisfy Tier-1 standards and, therefore, will not be eligible for Tier-2 consideration.

Tier-1 Evaluation Panel. The Tier-1 Evaluation Panel will consist of technical staff representing New Mexico Environment Department,; New Mexico Energy, Minerals and Natural Resources Department; New Mexico Department of Game and Fish; Office of State Engineer, and ISC. ISC shall also provide legal counsel. The Panel will evaluate each application according to the Tier-1 criteria below.

Tier-1 Evaluation Method. The Tier-1 Evaluation Panel will evaluate Tier-1 applications against the Tier-1 criteria and will score the application on a pass/fail basis. An application failing any of the criteria shall be judged to have failed the Tier-1 evaluation. The Panel will complete initial evaluations by July 31, 2011 and submit the Panel's final evaluations to the ISC by August 29, 2011.

Optional Preliminary Review. Applicants may request an optional preliminary review by submitting the application with a request for a preliminary review by May 1, 2011. The Tier-1 Evaluation Panel will conduct the preliminary review and responses will be mailed to applicants no later than June 1, 2011. The preliminary review will only examine the application for completeness; i.e., look for missing required responses or information. At the sole discretion of the Panel, the Panel may indicate where information or data should be clarified or strengthened. The Panel's response to a preliminary review does not guarantee or certify that an application is complete or that it satisfies Tier-1 criteria. Request for a preliminary review does not constitute application submission by the June 30, 2011 deadline; an applicant must submit a final Tier-1 application by the June 30, 2011 deadline for full consideration by the Tier-1 Evaluation Panel.

TIER-1 CRITERIA

1. State whether the proposal is for the "New Mexico Unit," a "water utilization alternative," or both. A "New Mexico Unit" is a project or activity that will develop additional water from the Gila basin above that allocated to New Mexico prior to the 2004 AWSA and require the Secretary of the Interior to exchange CAP water for any additional depletions in New Mexico. A "water utilization alternative" is a project or activity that does not develop additional water from the Gila basin above that allocated to New Mexico prior to the 2004 AWSA or does not require exchange of CAP water for additional depletions by New Mexico in the Gila basin. (see Exhibit A. **Interstate Stream Commission Gila Policy Statement, September 2004, and 2004 Arizona Water Settlements Act, Section 212 (i)**)
2. Describe how the proposal will meet a "water supply demand" in the Southwest New Mexico Water Planning Region, comprised of Catron, Grant, Hidalgo and Luna Counties. The 2004 AWSA requires a "New Mexico Unit," a "water utilization alternative," or both to meet a

water supply demand in the Southwest New Mexico Water Planning Region. The proposal must identify the demand that will be met and how the proposal will meet the demand identified. (see Exhibit A. **Interstate Stream Commission Gila Policy Statement, September 2004, and 2004 Arizona Water Settlements Act, Section 212 (i)**)

3. Describe how the proposal considers the Gila environment and describe how any negative impacts might be mitigated. The ISC Gila Policy requires full consideration of the Gila environment. If the proposal impacts the Gila environment, the proposal must describe the impact, whether negative or positive, or both. The proposal must indicate how negative impacts are to be mitigated. (see Exhibit A. **Interstate Stream Commission Gila Policy Statement, September 2004, and 2004 Arizona Water Settlements Act, Section 212 (i)**)

4. Describe how the proposal considers the historic uses of and future demands for water in the Southwest New Mexico Water Planning Region and the traditions, cultures and customs affecting those uses. The proposal must demonstrate how it conforms to the ISC Gila Policy to fully consider historic uses of and future demands for water in the Basin and the traditions, cultures and customs affecting those uses. Describe any impacts on historic uses of and future demands for water in the Basin and the traditions, cultures and customs affecting those uses, whether negative or positive, or both. The proposal must indicate how the negative impacts are to be mitigated. (see Exhibit A. **Interstate Stream Commission Gila Policy Statement, September 2004, and 2004 Arizona Water Settlements Act, Section 212 (i)**)

TIER-1 SCHEDULE (New July 14, 2011 deadline):

<u>Date</u>	<u>Action</u>
March 23, 2011	: Commission Approval of process and criteria
May 1, 2011	: Submission of preliminary Tier-1 proposals for review
June 1, 2011	: Review and return of preliminary Tier-1 proposals
July 14, 2011	: Final Tier-1 submission deadline
August 16, 2011	: Evaluation panel review and ranking of Tier-1 proposals complete
August 23, 2011	: Deadline for request for reconsideration of evaluation panel rankings
August 30, 2011	: Response to request for reconsideration
September 1, 2011	: Evaluation panel submission to Commission of ranking of Tier-1 proposals
September 28, 2011	: Commission action on Tier-1 proposals

(TIER-2 TIER-2 PROCESS, CRITERIA, APPLICATION, AND SCHEDULE ARE TO BE FINALIZED AND NOT CURRENTLY AVAILABLE.)

**TIER-1 APPLICATION TO THE NEW MEXICO INTERSTATE STREAM COMMISSION
FOR NEW MEXICO UNIT OR WATER UTILIZATION ALTERNATIVE
UNDER THE ARIZONA WATER SETTLEMENTS ACT**

APPLICANT INFORMATION (PRINT OR

DATE:

<p>1. Legal Name: SFSWCD San Francisco Soil and Water Conservation District San Francisco River Association SFRA</p>	<p>2. Organization: SFSWCD San Francisco Soil and Water Conservation District San Francisco River Association SFRA</p>										
<p>3. Address (street, city, county, state, and zip code): SFSWCD PO Box 119 Glenwood, New Mexico 88039</p>	<p>4. Name, email, and phone number of contract person: Billy Webb sfswcd@gilanet.com (575)539-2473 or Lou Naue sfra@sanfranciscoriver.com (575)539-2033</p>										
<p>5. TYPE OF APPLICATION (check one): <input checked="" type="checkbox"/> Final <input type="checkbox"/> Preliminary for review <input type="checkbox"/> Revised</p>	<p>6. TYPE OF APPLICANT (CHECK BOX): <input type="checkbox"/> local governments or municipalities <input checked="" type="checkbox"/> soil and water conservation districts, irrigation districts or commissions, acequias, or other political subdivision of the State of New Mexico <input type="checkbox"/> institutions of higher education or a consortium of such institutions <input checked="" type="checkbox"/> non-profit organizations or associations <input type="checkbox"/> private individual/s <input type="checkbox"/> federal agency (ies) <input type="checkbox"/> Other (specify)</p>										
<p>7. BRIEF PROJECT DESCRIPTION: SFSWCD and SFRA have developed SFR Watershed GIS this allows us to map, plan and document all projects on the watershed. All attributes of slope, vegetation, roads, contour and more can be studied and used to help define priority needs on the watershed. We need to expand the project and provide training to use this resource.</p>											
<p>8. AREAS AFFECTED (describe by county, municipality, township, etc. as applicable): The GIS covers the entire San Francisco River Watershed in New Mexico and Arizona. We would like to extend the project to cover the entire Gila Basin.</p>											
<p>9. TOTAL FUNDING REQUESTED (in \$1,000): \$65,000</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">2012:</td> <td style="width: 20%;">2013:</td> <td style="width: 20%;">2014:</td> <td style="width: 20%;">2015:</td> <td style="width: 20%;">2016:</td> </tr> <tr> <td>2017:</td> <td>2018:</td> <td>2019:</td> <td>2020:</td> <td>2021:</td> </tr> </table>		2012:	2013:	2014:	2015:	2016:	2017:	2018:	2019:	2020:	2021:
2012:	2013:	2014:	2015:	2016:							
2017:	2018:	2019:	2020:	2021:							
<p>10a. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED REQUIREMENTS AND ASSURANCES IF THE PROPOSAL IS ACCEPTED.</p>											
<p>10b. TYPED OR PRINTED NAME OF AUTHORIZED REPRESENTATIVE: Billy Webb Lou Naue</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;"> <p>11. TITLE: Chairman SFSWCD Executive Director SFRA</p> </td> <td style="width: 30%;"> <p>12. PHONE NUMBER: (575)539-2473 (575)539-2033</p> </td> </tr> </table>	<p>11. TITLE: Chairman SFSWCD Executive Director SFRA</p>	<p>12. PHONE NUMBER: (575)539-2473 (575)539-2033</p>								
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<p>13. SIGNATURE: /s/Billy Webb /s/Lou Naue</p>	<p>DATE: 7/12/2011</p>										

14. Evaluation criteria. Comprehensive responses to criteria A through D should be supported where possible by the best available science and scientific data, studies, models, and, where applicable, cite state, regional, or other water plans. Where such data and information is not available, applications should include best estimates and describe how such information would be obtained. Applications that do not include the requested information will not satisfy Tier-1 standards and, therefore, will not be eligible for Tier-2 consideration. Use Form 14a if needed.

A. State whether the proposal is for the “New Mexico Unit,” a “water utilization alternative,” or both.

Our project is a water utilization alternative. Our existing 3 DVD San Francisco River Watershed GIS needs to be expanded and made useful to all individuals and agencies working with in the Gila/San Francisco watershed. With our design partner Earth Analytic we will provide training so that projects can enjoy up to the minute mapping, project planning and reporting, and exploration of the pros and cons on the state of the watershed. Familiarity with this invaluable state-of-the-art technology will put us at the top of the game when applying for and completing projects on the watershed. Training for about 10 individuals and agency people is necessary to have long-term usefulness to watershed improvement and diversion projects.

B. Describe how the proposal will meet a “water supply demand” in the Southwest New Mexico Water Planning Region, comprised of Catron, Grant, Hidalgo and Luna Counties.

GIS technology allows us to plan and document all projects within the San Francisco River watershed. Catron County as well as private, State and Federal agency projects can be tracked and planned. All attributes of slope, vegetation, roads, contour and more can be studied and used to help define priority needs on the watershed.

- Example: A road capturing runoff and causing head-cutting and erosion can be identified and the attributes listed above can be determined. This can be used to search for similar areas of concern throughout the watershed and these can be identified and categorized as to priority planning, we can then ground-truth these areas and future project needs will be determined.

We have conducted flyover photography of the watershed. These flight photos are tied by GIS points on the ground and can be brought up to more closely study the riparian corridors of the riverine system. Each flight photo has comment attached. These flight photos give us a more complete picture of the watershed and provide a closer look at the environment.

Our project features include: Quality mapping, spatial analysis, data use and integration, GIS deployment, map viewing, navigation and printing and data query and explanation.

We would also like to expand the project to take in the entire Gila basin. We need to provide training to at least 10 people throughout the watershed so that they can use this technology for all projects in the Gila/San Francisco Rivers watersheds. It needs to be useful to all people working within the watershed. It can be updated and projects added on a website by these trained people so that the comprehensive view and project lessons learned are available to individuals and agencies working within the watershed. All of these attributes will help practitioners on the watershed improve water supply demand.

C. Describe how the proposal considers the Gila environment and describe how any negative impacts might be mitigated.

The attributes of this technology applied to the Gila environment allows us to easily use and share information geographically, unlocking the power of geography and geographic information. Maps and layers include; imagery, topographical maps, physical features, shaded relief, ownership maps, historical maps and more. The layers can be combined with local data to create custom maps for projects on one acre or 1000 acres. Project areas, project trails, place names, counties roads, hydrology, satellite imagery, vegetation and more all can be accessed and knowledge added as projects proceed. All information can easily be shared and a central website can be kept current by the trained users. A projects can be looked at very accurately and our existing program has flyover photography of the San Francisco River corridor with imbedded buttons for each photo with commentary that can also be added to the knowledge that you take to the project as well as fine maps that you can take to the field when you meet with the land owners and ground-truth your project applications. Agencies with map plotters have printed maps for us from CDs and memory sticks as needed and we will continue to work with these agencies and add to those who have that ability throughout the watershed, without the sharing of this technology we could only print regular paper size maps. The only negative impact that can be foreseen is that many people are amazed and often shy of the technology available to view the earth. However any computer savvy individual can google your roof, if they want to. We have had to reassure people that the technology does not allow real-time viewing and that it is our wish is to promote the health of the watershed and that is all. The opportunity to work towards the health of the Gila/San Francisco Watershed and all the life that it supports is our great privilege.

D. Describe how the proposal considers the historic uses of and future demands for water in the Southwest New Mexico Water Planning Region and the traditions, cultures and customs affecting those uses.

The SFSWCD and the SFRA work together to focus technical and financial resources on conservation priorities in the San Francisco River Watershed. The SFSWCD was organized April 14, 1942. It covers 2,161,715 acres in Catron County. The District consists of rugged mountains, plateaus, plains mountain streams, pine and fir, pinyon and juniper, native grasses, cactus and chaparral and the San Francisco River with its contributing creeks and arroyos, riparian corridors and all the life this system supports. It is a land of small farms and sizable ranches, timber and small communities. There are approximately 314,227 acres of private and state lands lying within the District boundaries, 106,010 acres of BLM lands and 1,734,983 acres of National Forest. The climate varies considerably between localities within the District because of extremes in elevation and topography. Average precipitation varies from 9 inches to 30 inches. Soils are extremely variable and complex. They range from deep loamy soils in the riverine valleys and on the alluvial slopes to shallow and rocky in the foothills and volcanically produced mountains. The present economy of the District is based on agriculture. Positive Impact: This project will allow for more comprehensive outreach and education for our constituents, understandable project planning and clear maps for projects and objectives on 1 acre or 1000 acres. It will provide jobs for our rural communities and economic impetus to a healthier environment. We envision the future economic stability of our District tied to agriculture through watershed restoration and improved watershed health.

Exhibit A. Interstate Stream Commission Gila Policy Statement, September 2004, and 2004 Arizona Water Settlements Act, Section 212 (i)

INTERSTATE STREAM COMMISSION GILA POLICY STATEMENT, SEPTEMBER 2004:

The Interstate Stream Commission recognizes the unique and valuable ecology of the Gila Basin. In considering any proposal for water utilization under Section 212 of the Arizona Water Settlements Act, the Commission will apply the best available science to fully assess and mitigate the ecological impacts on Southwest New Mexico, the Gila River, its tributaries and associated riparian corridors, while also considering the historic uses of and future demands for water in the Basin and the traditions, cultures and customs affecting those uses.

2004 ARIZONA WATER SETTLEMENTS ACT, SECTION 212 (i)

(i) NEW MEXICO UNIT FUND- The Secretary shall deposit the amounts made available under paragraph (2)(D)(i) of section 403(f) of the Colorado River Basin Project Act (43 U.S.C. 1543(f)) (as amended by section 107(a)) into the New Mexico Unit Fund, a State of New Mexico Fund established and administered by the New Mexico Interstate Stream Commission. Withdrawals from the New Mexico Unit Fund shall be for the purpose of paying costs of the New Mexico Unit or other water utilization alternatives to meet water supply demands in the Southwest Water Planning Region of New Mexico, as determined by the New Mexico Interstate Stream Commission in consultation with the Southwest New Mexico Water Study Group or its successor, including costs associated with planning and environmental compliance activities and environmental mitigation and restoration.

FORM 14A

USE THIS FORM TO COMPLETE ANSWERS TO CRITERIA 1 THROUGH 4. NUMBER EACH ADDITIONAL RESPONSE WITH THE CORRESPONDING CRITERIA NUMBER AND SUB-CRITERIA. USE AS MANY PAGES AS NEEDED.