New Mexico Interstate Stream Commission

Lower Rio Grande Water Rights Purchase Program

NMISC Meeting

November 19, 2026

Albuquerque, New Mexico





Introductions

Presenters

Ryan J. Serrano, LRG Bureau Chief

Christina Hernandez, LRG Bureau

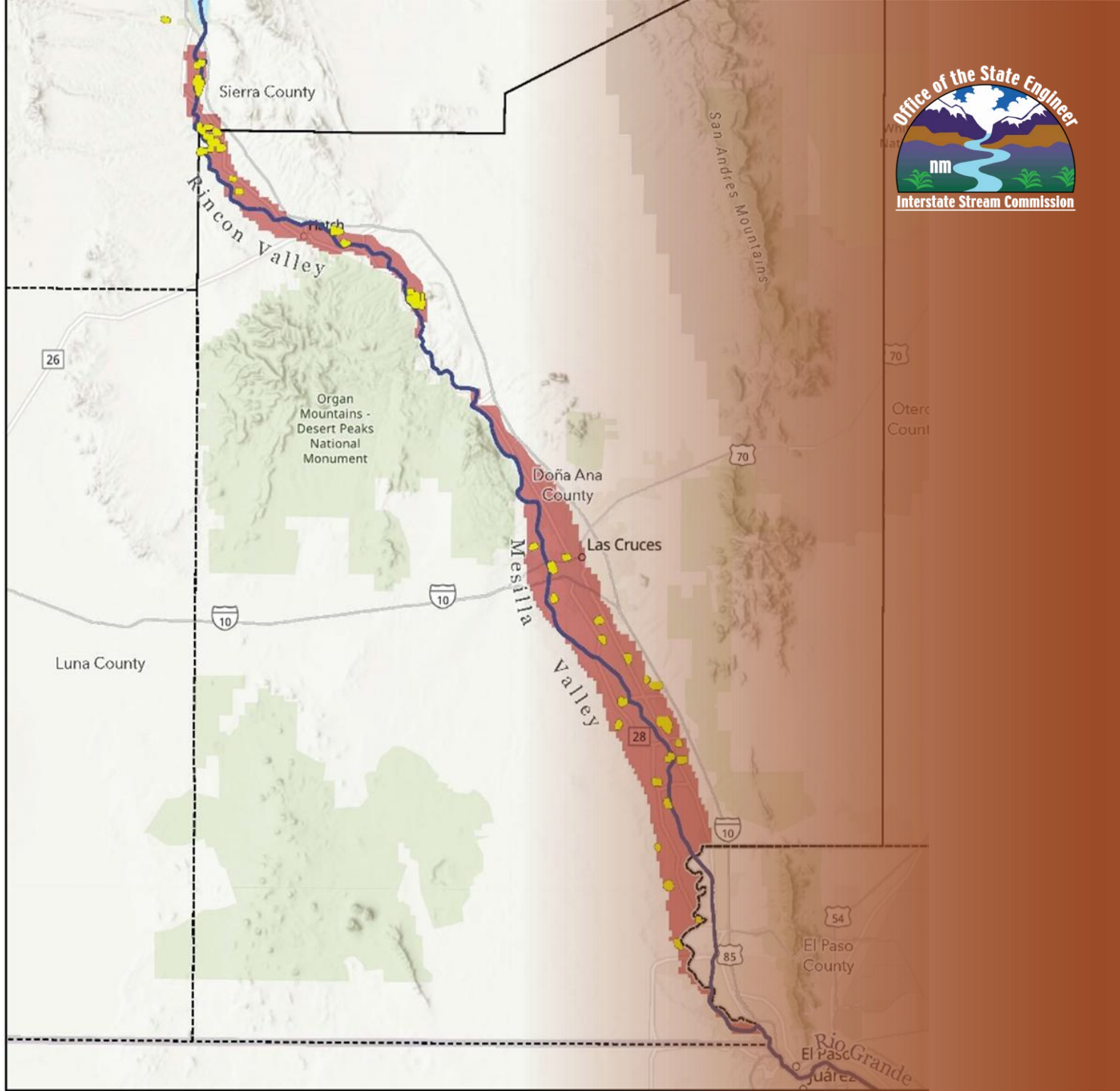
J.R. Hennessey, OSE D4 Deputy District Manager

Support Staff & Contractors

Ray Hartwell, Summit Conservation Strategies
Anita Tafoya, LRG Bureau
Oscar Esparza, LRG Bureau
Kate Fauske-Maynard, LRG Bureau
Colin McVaugh, Agri-Land Advisors LLC

Agenda

1. Purpose
   a) Groundwater Settlement Agreement Depletion Reduction
   b) Agreement Requirements
2. Program
   a) Budget
   b) Solicitation Methods & Offers
   c) Solicitation Window
   d) Criteria Table
   e) Rincon/Hatch Acreage Cap
3. Administration
   a) Process Flow Chart
   b) Evaluation of Use
   c) Future of Participating Lands
   d) Continued Public Outreach
4. Recap
   a) Program
   b) Request



1a. Purpose: Groundwater Settlement Agreement Requires 18,200 AF in Annual Depletion Reductions



- Accomplished within 10 years (by 2036); 50% must be acquired within 5 years
- If met through acquisition and retirement of combined surface/groundwater rights= 9,240 acres
- Other types of GW rights also eligible (e.g. primary groundwater irrigation rights, commercial rights and industrial rights)
- Willing buyer-willing seller basis, no one is forced to sell water rights
- All purchases must meet the minimum eligibility requirements
- All purchases must be approved by the Commission at an open session with opportunity for public comment

1b. Groundwater Settlement Agreement Requirements

Location:
Mesilla and Rincon aquifers between Caballo and El Paso gage.

Eligibility:

I. Must have been used a minimum of 5 years out of every moving 10-year period since 2010 or enrolled in the LRG Groundwater Conservation Program.

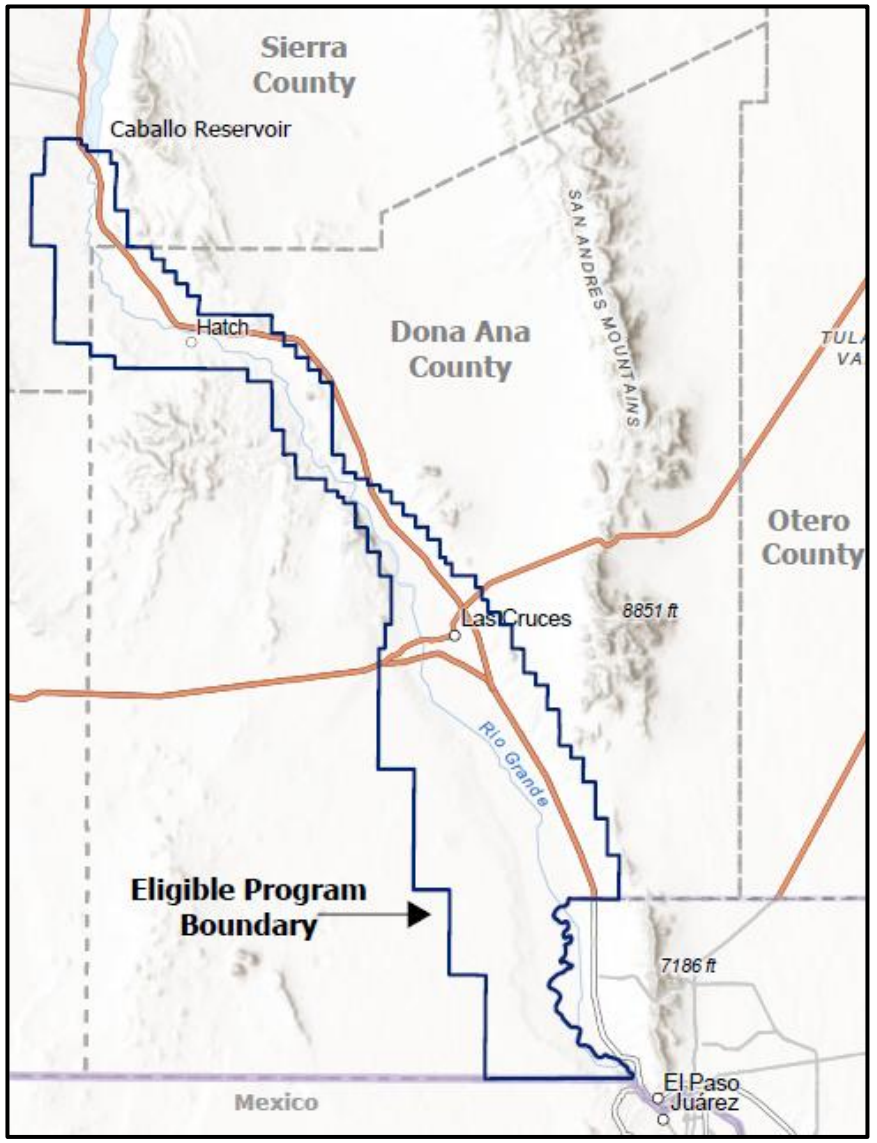
II. Must be in good standing with the OSE.

Other Program Requirements and Considerations:

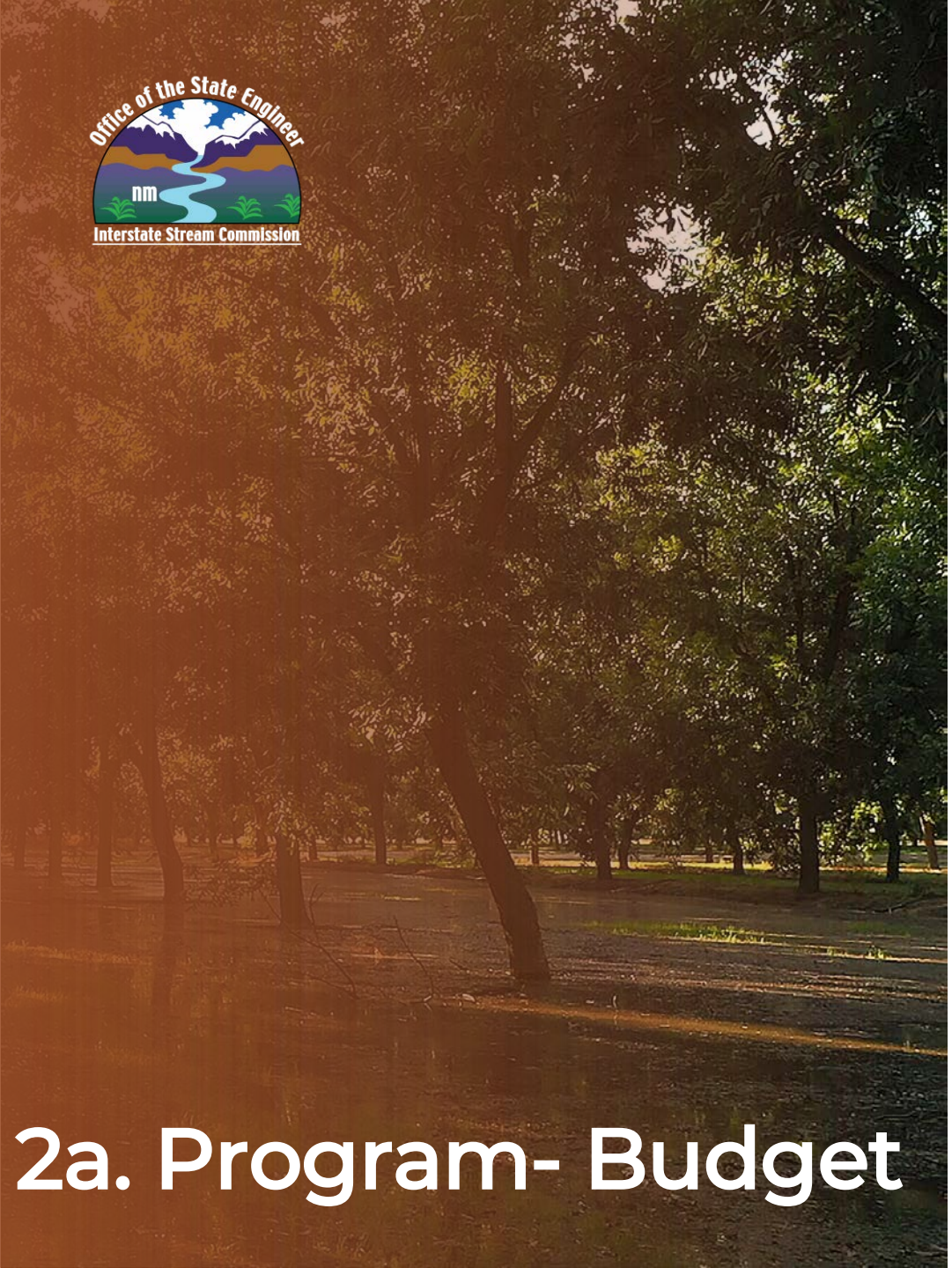
I. Water rights transferred to Permanently Retired Lands in the future must meet same eligibility requirements. Land use easement will be required to ensure notice to future property owners.

II. Permanently Retired Lands may be served by a water service provider for non-irrigation purposes.

III. No net increase in depletions.



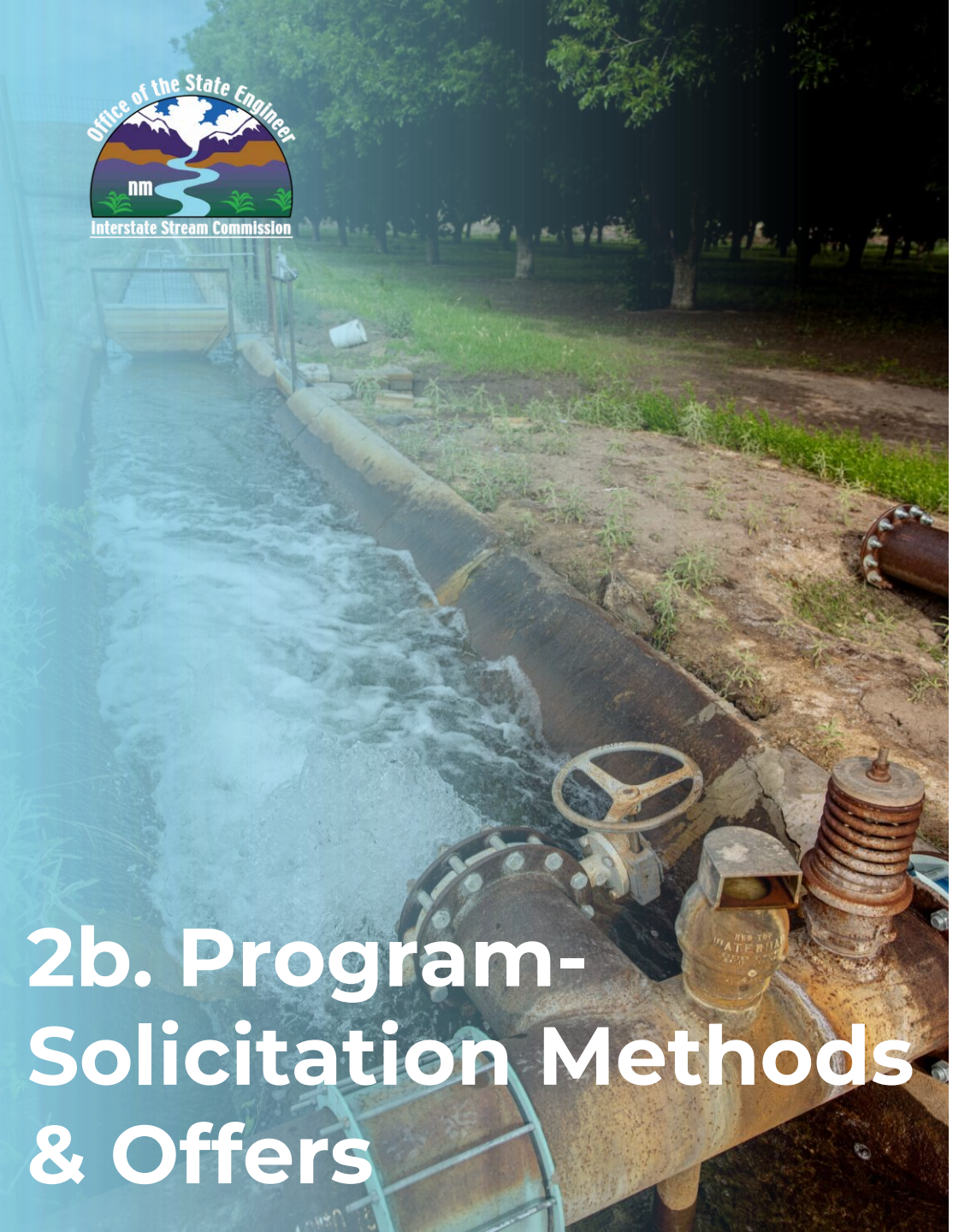
All Requirements derived from Settlement, Section III. B



2a. Program- Budget

Funding for Purchase Program

- $40 million in federal funding from the Bureau of Reclamation
- Up to $22.5 million State legislative funding
- Additional funding will be sought from NM legislature and other sources



2b. Program-Solicitation Methods & Offers

Groundwater Only Rights:

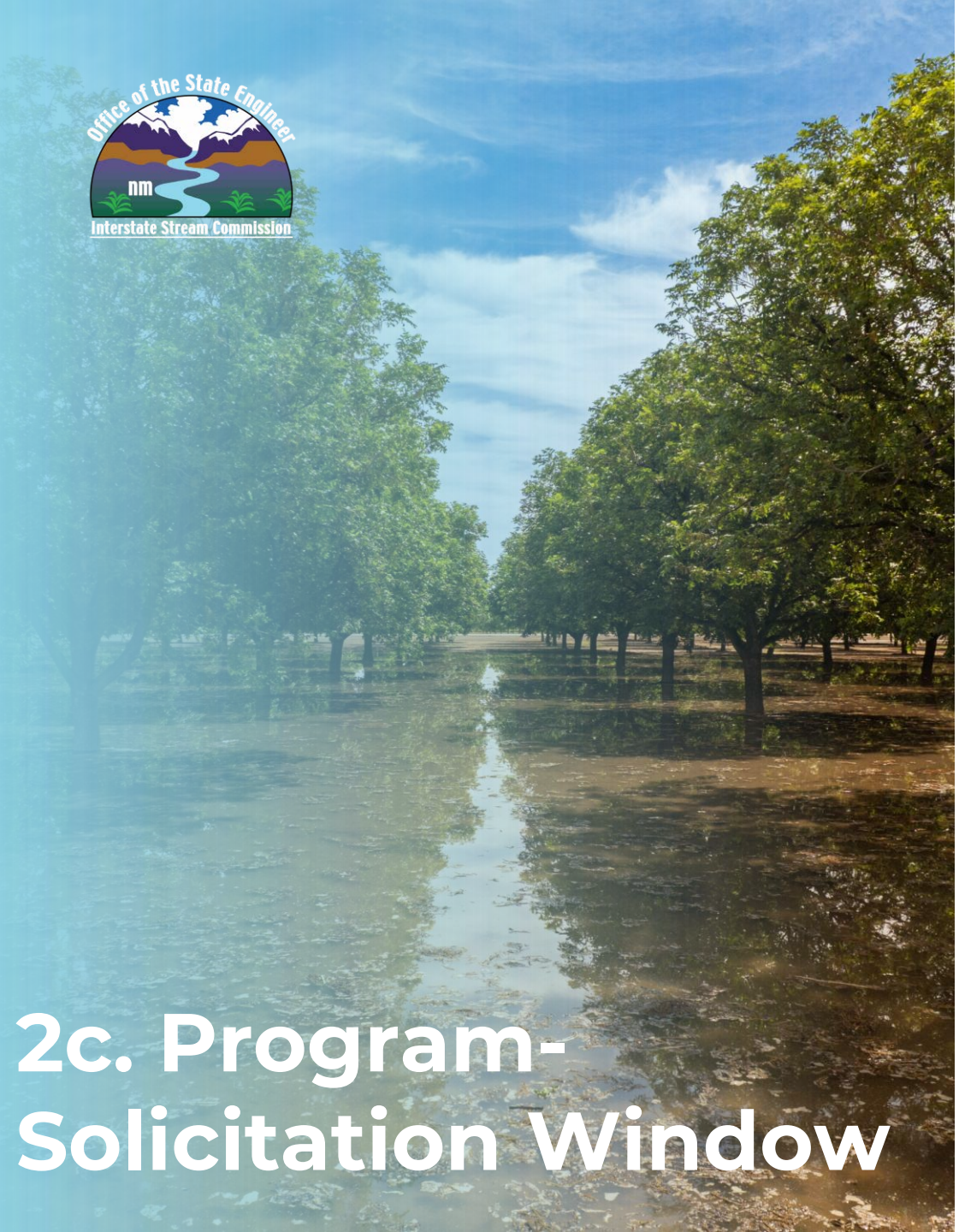
- Negotiated Price Offer (per acre-foot)

Combined Surface and Groundwater Irrigation Rights:

- Fixed Price Offer: $15,500 per acre
- Will receive preference
  or
- Negotiated Price Offer
- No guarantee of acceptance

Surface Water Rights:

- Fixed Price Offer: $4,500 per acre



2c. Program-Solicitation Window

Solicitation Window

- 90-day solicitation window for application submission starting in **January 2027**
- Additional time will be needed for due diligence and closing on water rights purchases
- Fixed Price Offers preferred and will be processed in order received
  - <5 acres will require Fixed Price Offer
- Negotiated Price Offer determinations will be made after the closing of the solicitation window

2d. Program- Criteria Table for Negotiated Price Offers

All water rights must meet the minimum eligibility criteria to be further considered.

Criterion	Metric	Interpretation
Unit Cost	Cost per acre-foot for non-irrigation and per acre for irrigation water rights	Offers prioritized from lowest to highest cost.
Volume Offered	Total acre-feet (non-irrigation) or acres (irrigation)	Larger transactions may be preferred.
Priority Date	Priority date for groundwater rights	Water right priority date will be considered in evaluating pricing.
Location	Distance from Rio Grande	Water Rights with a stronger hydrologic connection to the Rio Grande may be preferred.
History of Use	History of use beyond minimum eligibility criteria	History of use will be considered in evaluating pricing.



2e. Geographic Capping

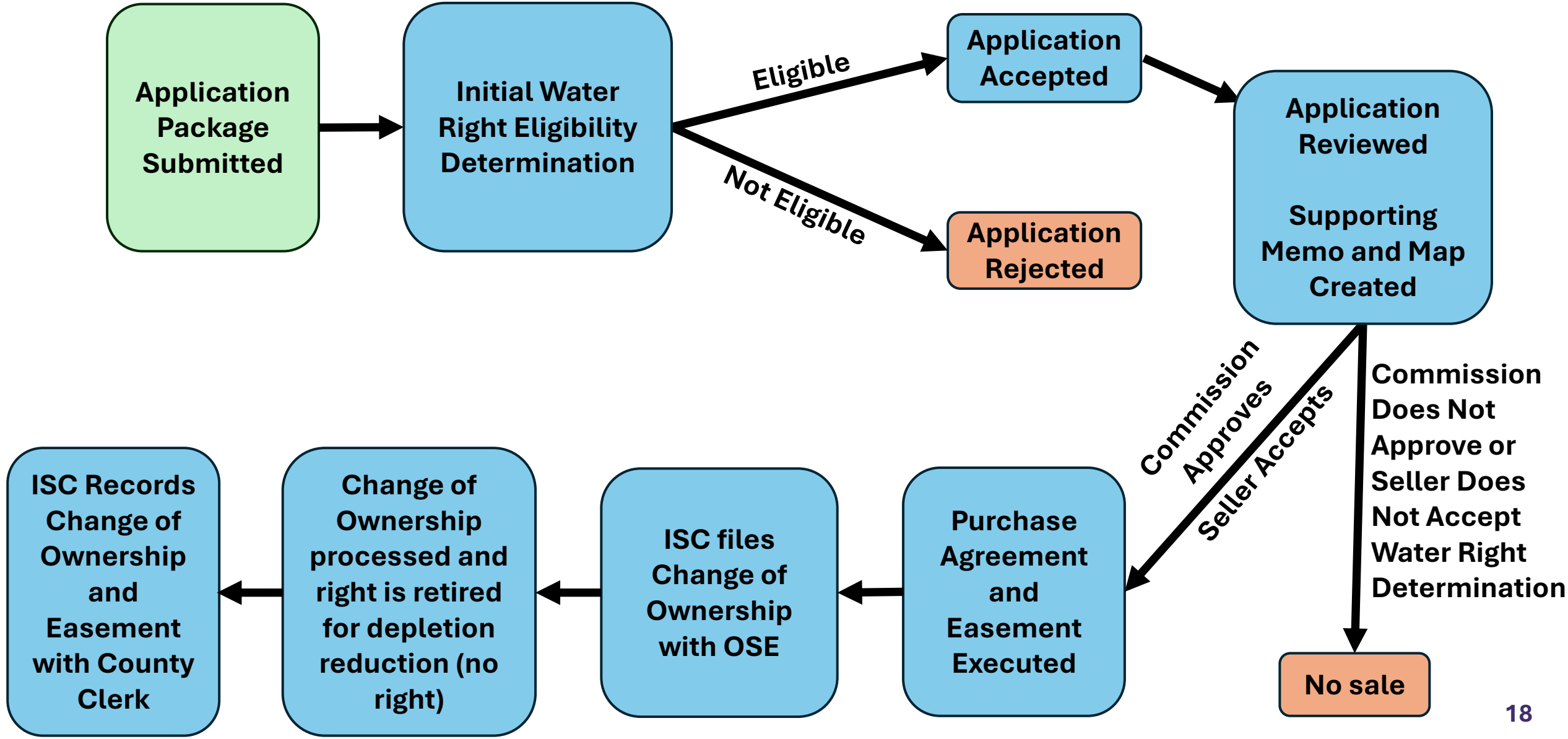
Rincon/Hatch Acreage Cap

The first round of solicitation for the purchase program will cap purchases from the Hatch/Rincon area at **2,050 acres total**.

This is a pro-rata share of the overall WRPP acreage goal.

In future rounds, ISC will revisit the cap as needed.

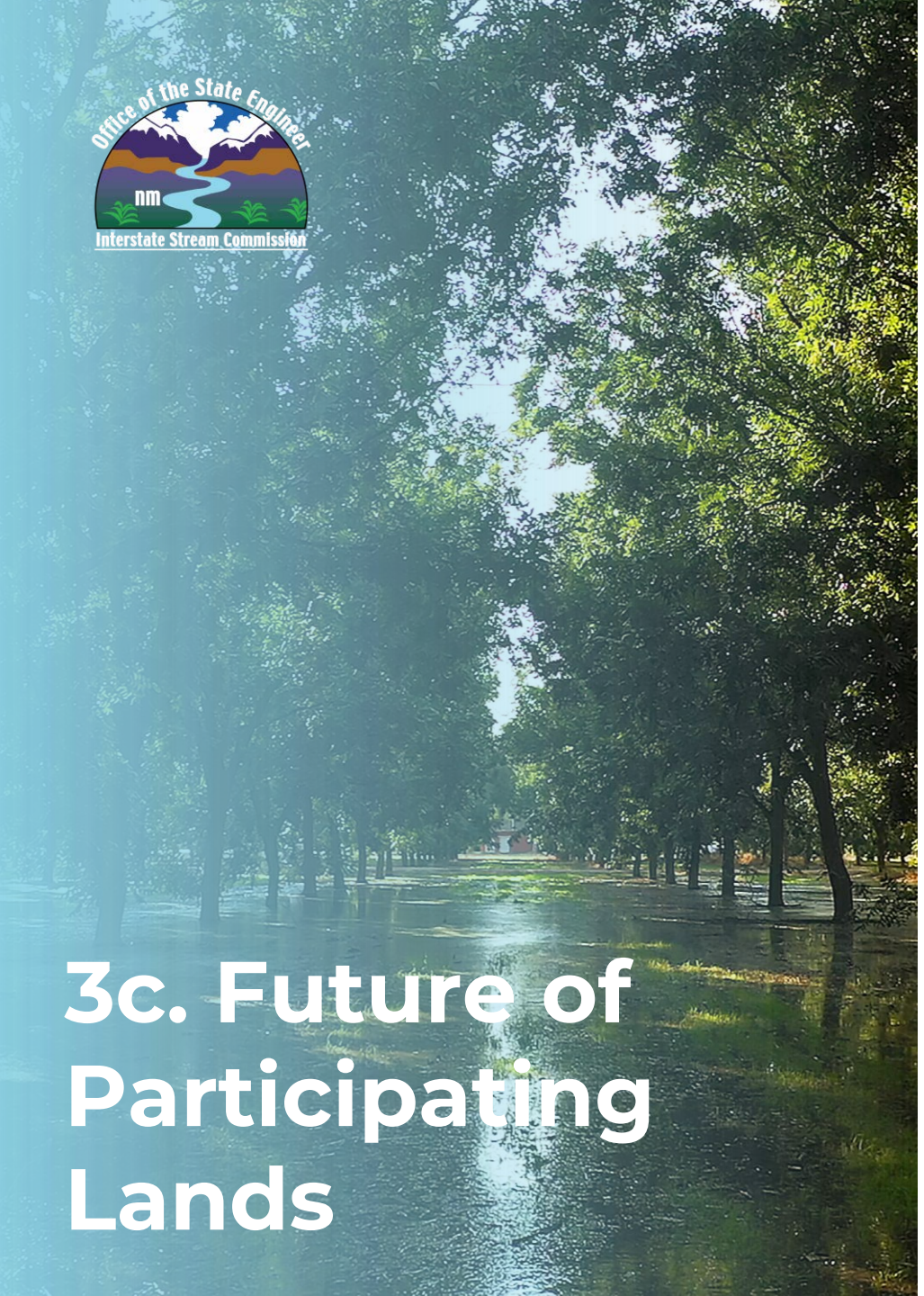
3a. Administration- Purchase Program Process Flow Chart



3b. Administration - Evaluation of Use (5 out of 10 Rule)

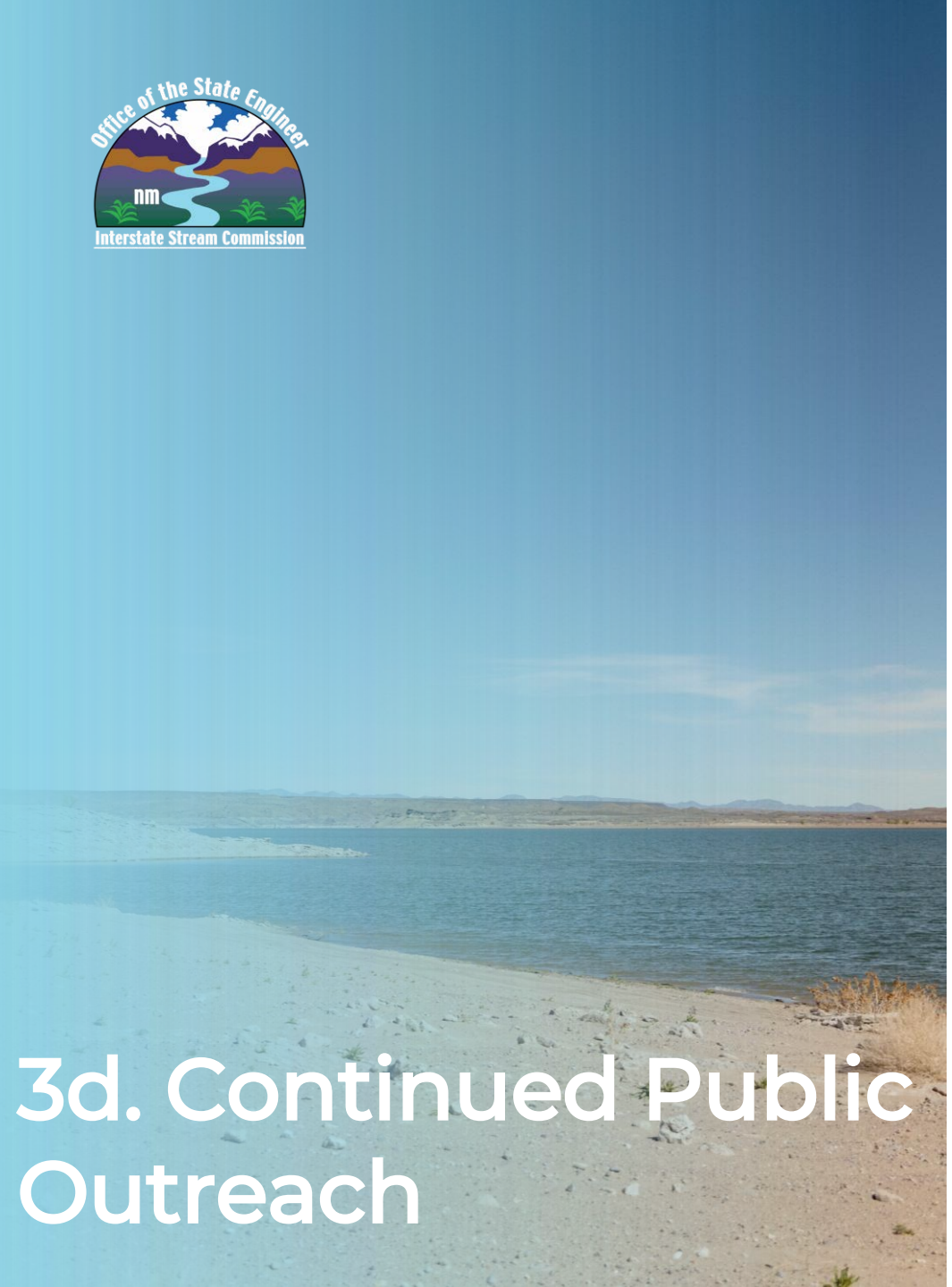
Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7
2010						
2011	2011					
2012	2012	2012				
2013	2013	2013	2013			
2014	2014	2014	2014	2014		
2015	2015	2015	2015	2015	2015	
2016	2016	2016	2016	2016	2016	2016
2017	2017	2017	2017	2017	2017	2017
2018	2018	2018	2018	2018	2018	2018
2019	2019	2019	2019	2019	2019	2019
	2020	2020	2020	2020	2020	2020
		2021	2021	2021	2021	2021
			2022	2022	2022	2022
				2023	2023	2023
					2024	2024
						2025

- Must have been used a minimum of 5 years out of every moving 10-year period since 2010 or enrolled in the LRG Groundwater Conservation Program.
- Examples of evidence of use:
  - aerial photography
  - records of diversions
  - studies containing water use evidence



3c. Future of Participating Lands

- Participating lands may not be irrigated unless valid water rights are transferred to those lands
  - Transferred water rights must meet same WRPP requirements
  - Cannot result in an increase in depletions
  - Subject to OSE approval
  - Rotational place of use (Block Management) option
- Participating lands must be appropriately maintained
  - Weed and dust nuisances must be controlled
  - Cover cropping options will be managed through soil and water conservation districts



3d. Continued Public Outreach

Upcoming Lower Rio Grande Water Information Open Houses

ISC and OSE and partner agencies will be joined by the public to learn about the Texas v New Mexico Settlement, Water Rights Purchase Program and other water related topics.

- **TUESDAY, DECEMBER 8**
  4–6:30 PM
  HATCH VALLEY HIGH SCHOOL
  170 E Herrera Rd., Hatch, NM 87937
- **WEDNESDAY, DECEMBER 9**
  4–6:30 PM
  DACC ESPINA CAMPUS, ROOM 77 + 79
  3400 S. Espina St., Las Cruces, NM 88003
- **THURSDAY, DECEMBER 10**
  4–6:30 PM
  DACC GADSDEN CENTER, ROOM 140 + 141
  1700 E. Ohara Rd., Anthony, NM 88021

4a. Recap- Program

- 90-day solicitation period starting January 2027.
- $40 million federal funding plus additional State appropriations
- Solicitation Methods –
  - Fixed Price Offers
    - Combined Surface Water & Groundwater Rights: $15,500 per acre
    - Surface Water Only Rights: $4,500 per acre
    - <5 acres will require fixed price offer
  - Negotiated Price Offers
    - Available for Groundwater Only Rights and Combined Surface Water & Groundwater Rights
    - Will be considered by the Commission based on criteria such as unit cost per acre or acre-foot, volume of water, priority, location and history of use
- Cap purchases under this solicitation from the Hatch/Rincon area at 2,050 acres



4b. Request

Request Commission approval for the design of a water rights purchase program in the Lower Rio Grande to implement requirements of the settlement in *Texas v. New Mexico and Colorado*, and delegation of authority to the NMISC Director to open solicitation for water rights purchases.

www.ose.nm.gov/LRGWPP