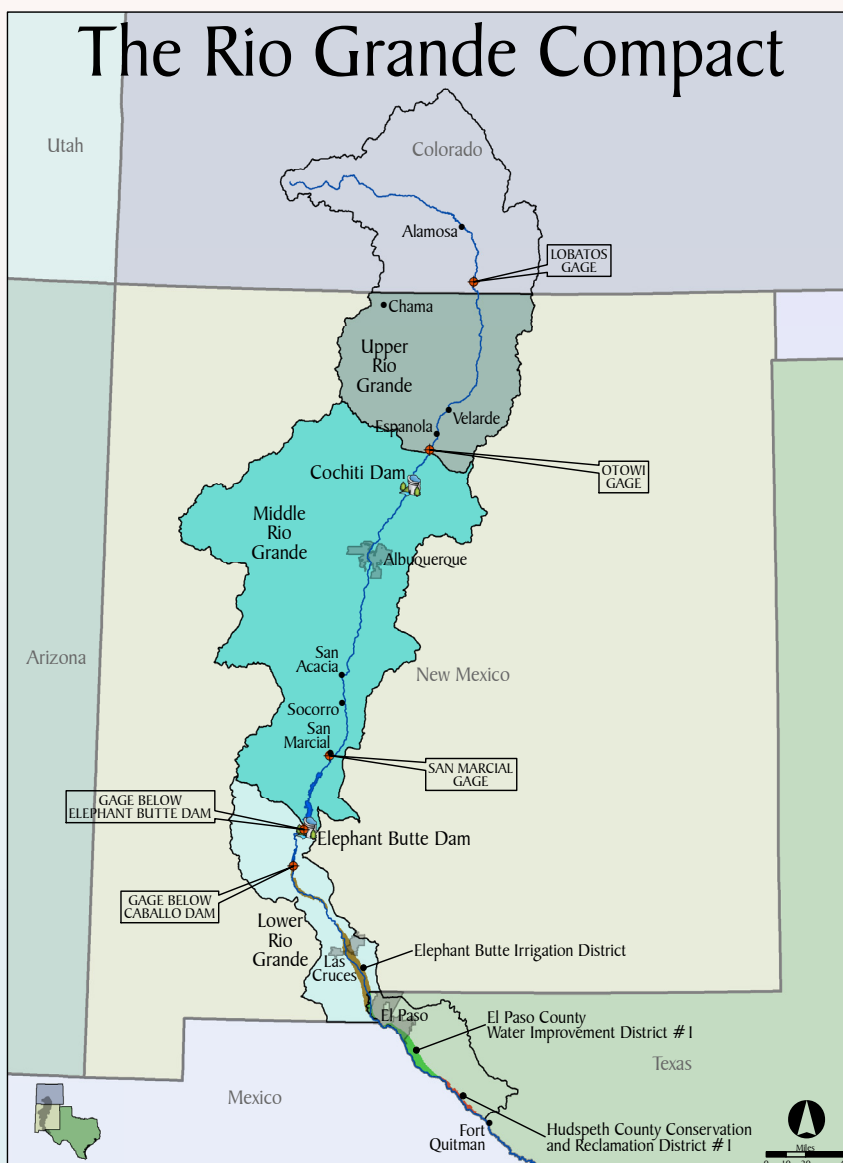


Rio Grande Compact and Administration

The **Rio Grande Compact** is a legally binding agreement between Colorado, New Mexico, and Texas that divides the river's water among the three states. Compliance with the Compact protects water uses in New Mexico, including senior and groundwater rights. Given increasing water scarcity, the State of New Mexico is taking pro-active steps to engage New Mexicans throughout the basin to ensure our communities and economies that rely on the river can continue to thrive.



RIO GRANDE COMPACT OVERVIEW

The Rio Grande Compact (Compact) is a 1938 water sharing agreement between the states of Colorado, New Mexico and Texas. It allocates the river's water among the three states and governs how water is stored, delivered, and used.

Within New Mexico, the Rio Grande basin includes three subbasins, each with distinct Compact requirements:

Upper Rio Grande (URG):

This subbasin must hold depletions of water to those that occurred around 1929. All reservoirs built after 1929 are subject to Compact restrictions under Articles VI-VIII. This subbasin includes the Rio Chama, the Rio Grande's largest New Mexico tributary, and where the San Juan-Chama Project delivers water to the Rio Grande from the Upper Colorado River basin. Imported San Juan-Chama water, which is explicitly provided for in the Compact, supplements local supply but does **not** count toward New Mexico's Compact delivery obligations. By law San Juan-Chama water must be fully consumed in the Middle Rio Grande.

Middle Rio Grande (MRG):

New Mexico must deliver a share of the annual Rio Grande flows that pass the Otowi gage to Elephant Butte Reservoir for downstream use by New Mexico, Texas and Mexico.

Native flows originate in the Rio Grande basin; native water is differentiated from imported water from the San Juan-Chama Project.

- In dry years, 60% of the flow past Otowi must be delivered to Elephant Butte Reservoir.
- In wet years, more than 80% of native Rio Grande flows past Otowi must be delivered to Elephant Butte Reservoir.

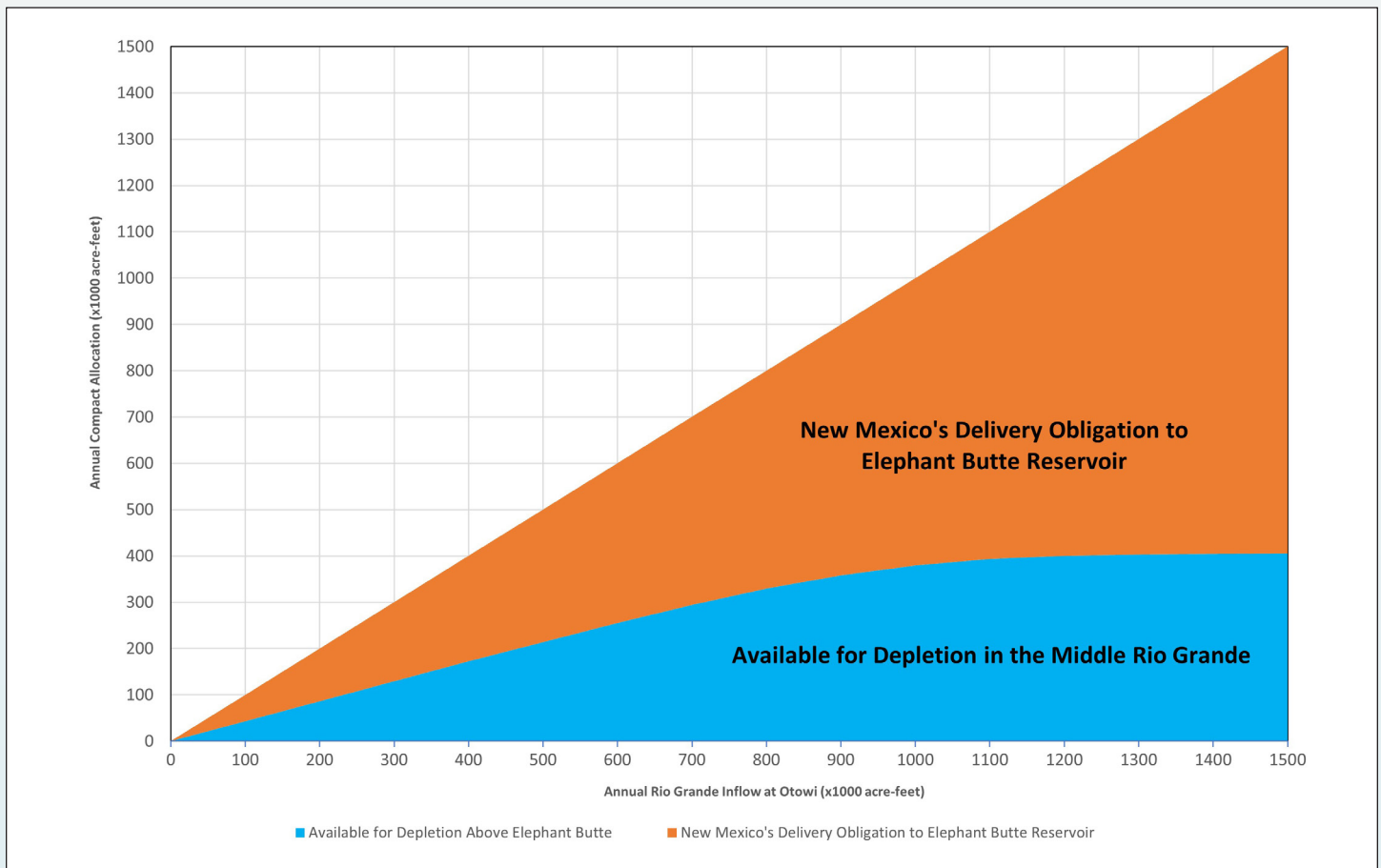
- Native water consumption in the MRG is capped at 405,000 **acre-feet per year**, regardless of the flows past Otowi.

An acre-foot is the amount of water that would cover one acre of land to a depth of one foot.

- Any precipitation between Otowi and Elephant Butte Reservoir - typically monsoonal precipitation - can be used in the MRG, may contribute to Compact deliveries, and does not affect New Mexico's delivery obligation.
- Over-deliveries of native water to Elephant Butte Reservoir result in credits to New Mexico, while underdeliveries result in Compact debt.

Figure 1 shows the annual maximum volume of water that can be depleted within the Middle Rio Grande. The remainder of which must be delivered to Elephant Butte Reservoir for users in the LRG in New Mexico, Texas and Mexico.

Figure 1. Rio Grande Compact: Annual Middle Rio Grande Allocation



Lower Rio Grande (LRG):

Water stored in Elephant Butte Reservoir is apportioned based on the Compact and international treaties. New obligations may result based on the proposed settlement in the U.S. Supreme Court litigation. The settlement clarifies how water is apportioned, protects groundwater uses and the state's ability to administer, and provides greater long-term certainty to water users.

CHALLENGES: COMPACT DEBT, ARIDIFICATION, AND INCREASED DEPLETIONS

Why Compact Debt Matters

Flexibility in managing upstream reservoir storage depends on Compact status.

When Elephant Butte and Caballo Reservoirs together hold less than 400,000 acre-feet of usable water, or when New Mexico carries a Compact debt, upstream storage of native Rio Grande water in post-1929 reservoirs is restricted (see FIGURE 2).

- **Compact Violation Threshold:** A debt exceeding 200,000 acre-feet constitutes a violation.
- **2025 Status:** New Mexico's accrued underdelivery, or debt, is approximately 124,000 acre-feet, leaving a narrow margin before reaching the litigation threshold. If our debt reaches 200,000 acre-feet, administration would be necessary to remedy the debt, such as curtailment of water uses in the middle valley.

If a state violates Compact terms, case law affirms that the Compact represents the most senior water right — meaning all other uses, with the exception of tribal water rights, are subject to its fulfillment.

When New Mexico is in an accrued Compact debt, upstream reservoirs constructed after 1929 shall retain that amount in storage, which is subject to call from Texas in January of the following year.

—Compact Articles VI and VIII

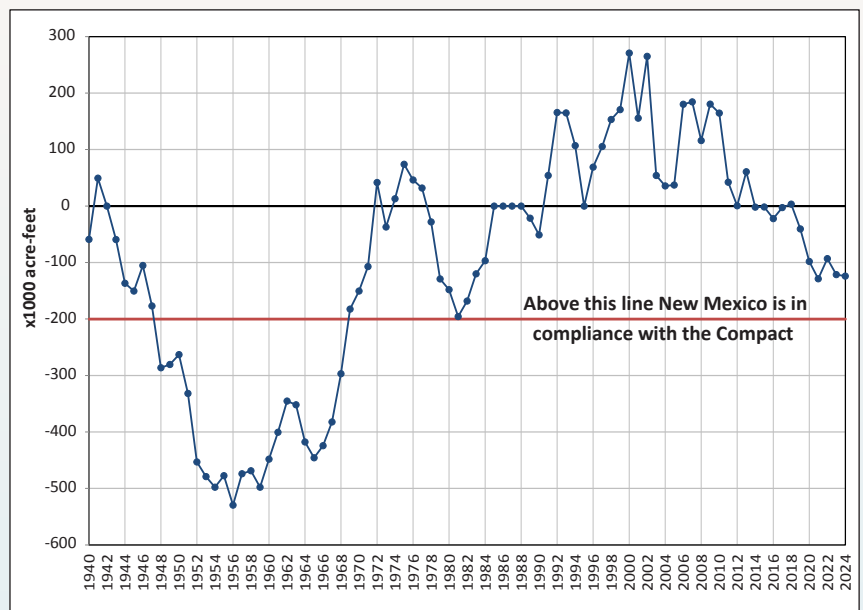
When Elephant Butte and Caballo Reservoirs have less than 400,000 acre-feet of Usable Water in storage, New Mexico cannot store native water in upstream reservoirs constructed after 1929. Usable Water is native Rio Grande water, exclusive of credit water, in Project Storage and available for irrigation demands in New Mexico, Texas and Mexico.

—Compact Article VII

Compact Violation Trigger = 200,000 acre-feet of accrued debt

—Compact Article VI

Figure 2. Rio Grande Compact Cumulative Departures from 1940 to 2024

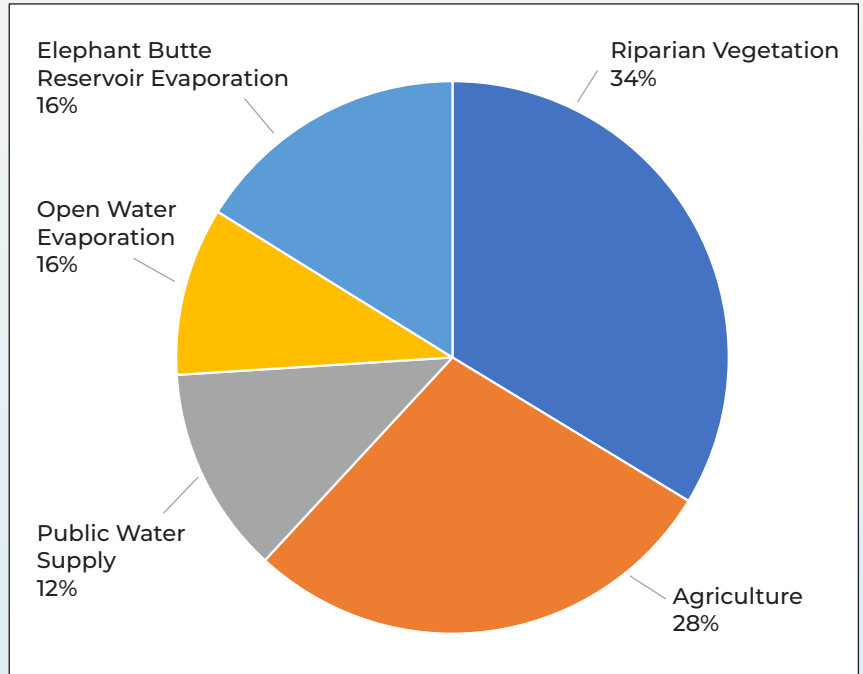



GROWING PRESSURE ON A LIMITED RESOURCE

Managing debt is becoming increasingly difficult. Less snowpack, hotter temperatures, and higher evaporation all reduce river flow. There has also been variable monsoon rainfall over the last 10 years. At the same time, water demand across agriculture, riparian ecosystems, and cities has not decreased. These pressures have made compact debts more difficult to manage.

By **2070**, New Mexico is projected to have **25% less available water** in our rivers and recharging our aquifers due to increasing temperatures. Effective management requires administrative action, channel conveyance improvements, and long-term adaptation. (see **FIGURE 3**).

Figure 3. Average Annual Middle Rio Grande Depletions by Sector 2002-2021 (from Upper Rio Grande Operations Model)





SOLUTIONS: PROJECTS, PLANNING, AND ADMINISTRATION

Given the many challenges facing New Mexico in the Rio Grande, including aridification, changes in precipitation patterns, river channel limitations, and increases in depletions, the State needs a multi-pronged approach to more effectively manage and balance water use with available supply, while meeting compact obligations.

PROJECTS AND INVESTMENTS

Middle Rio Grande

Through ~\$45 million in investments (2023–2024 legislative sessions), New Mexico is advancing multi-benefit projects that support Compact compliance, habitat health, and infrastructure resilience:

- **Active Channel Management** for improved conveyance and ecological function
- **Partnerships** with federal agencies (Bureau of Reclamation, U.S. Army Corps of Engineers)
- **Cooperative Agreement** with the **Middle Rio Grande Conservancy District (MRGCD)**
- **Voluntary Depletion Reduction Programs** to reduce agricultural water use
- **Elephant Butte Delta Maintenance** and sediment mitigation
- **Sediment and Channel Management** particularly in the Rio Chama basin
- **Modeling and Data Improvements** to inform decision-making
- **Low-Flow Conveyance Channel Enhancements** to more efficiently convey water, including return flows from MRGCD, to Elephant Butte Reservoir

Lower Rio Grande

Through ~\$65 million in investments (2023–2025 legislative sessions), the state is implementing programs to manage depletions, develop new supplies, and strengthen local partnerships:

- **Groundwater Conservation:**
 - 6,191 acres enrolled in voluntary leasing agreements through the end of 2025
 - Over 8,300 acres included in applications to participate in the program beginning in 2026
- **Groundwater Acquisitions** for Compact and aquifer sustainability
- **Development of New Supplies** aquifer recharge, brackish water development, stormwater capture, and potential regional water importation
- **Stakeholder Engagement** developing long-term solutions through cooperative input
- **Cooperative Agreement** with the **Elephant Butte Irrigation District (EBID)**
- **Building the NMISC/NMOSE Team** in Las Cruces to support implementation and oversight

PLANNING

The **Water Security Planning Act** — passed unanimously — modernizes regional water planning to prepare for a hotter, drier future. Regional plans will:

- Incorporate **robust public involvement**, including major water rights holders
- Be **grounded in best-available science and modeling**
- **Link directly to implementation** through prioritization of projects for funding
- **Build local capacity** for proactive water management
- Adhere to **State water law** including priority administration

This framework fulfills recommendations from the **2022 Water Policy and Infrastructure Task Force** and supports the **50-Year Water Action Plan**.

ADMINISTRATION + TOOLS

Conjunctive Management

New Mexico has led the nation in conjunctive surface and groundwater management since 1956. State courts affirm the State Engineer's authority to coordinate these resources to ensure Compact compliance — including through offset requirements (*City of Albuquerque v. Reynolds*, 1962-NMSC-173).

Active Water Resource Management (AWRM)

AWRM empowers the State Engineer to enforce water laws and manage use proactively — even in basins without completed adjudications. This will be one of the tools available to the State Engineer to reduce depletions to address our compact debt. It allows for the State Engineer to meter and limit water uses, but also allows for water users to develop alternative management plans that allow for cooperative water sharing. AWRM can be used to reduce depletions while providing flexibility and certainty for users.

Strategic Water Reserve

The New Mexico Interstate Stream Commission maintains the Strategic Water Reserve — a vital tool to acquire, lease, and manage water rights that support both Compact deliveries and environmental flows. This authority is established under NMSA 1978, § 72-14-3.3.

