



Office of the Governor

MICHELLE LUJAN GRISHAM

Strategic Water Supply Act HENRC substitute for HB 137

**Sponsors: Rep. Susan Herrera, Raymundo Lara, and Rod Montoya
Sen. George Muñoz and Craig Brandt**

Overview:

The Strategic Water Supply (SWS) safeguards New Mexico's water future by developing innovative solutions that reduce freshwater demand while supporting economic growth and clean energy development. This approach preserves vital freshwater resources for communities, agriculture, and ecosystems.

While freshwater is limited in our dry state, with scientists warning of 25% less freshwater in 50 years, experts say we may have up to 650 TRILLION gallons of water underground in salty (aka brackish) aquifers.

The House Energy, Environment and Natural Resources Committee substitute for HB137 encourages development of brackish water supplies from existing or newly developed sources in compliance with the Office of the State Engineer and the New Mexico Environment Department regulations and procedures. Produced water from oil and gas production is no longer included in the Strategic Water Supply program in HB137.

The Strategic Water Supply will:

- Provide new water for community uses while protecting and preserving New Mexico's freshwater as we face a hotter, drier future.
- Promote strong local economies and job creation in the water treatment sector while supporting New Mexico's clean energy transition.
- Establish guardrails for grants and contracts that advance brackish water treatment and supply treated water to customers that align with state, Tribal or local economic development goals and protect freshwater supplies.

Any project funded through the SWS must comply with applicable state, federal, Tribal and local governmental standards and permit requirements and other provisions of law to protect existing water rights. The program will adhere to: Water Quality Control Commission rules, Water Quality Act, State and Tribal Collaboration Act, and other applicable laws and regulations. These established regulatory programs include built-in opportunities for public involvement.

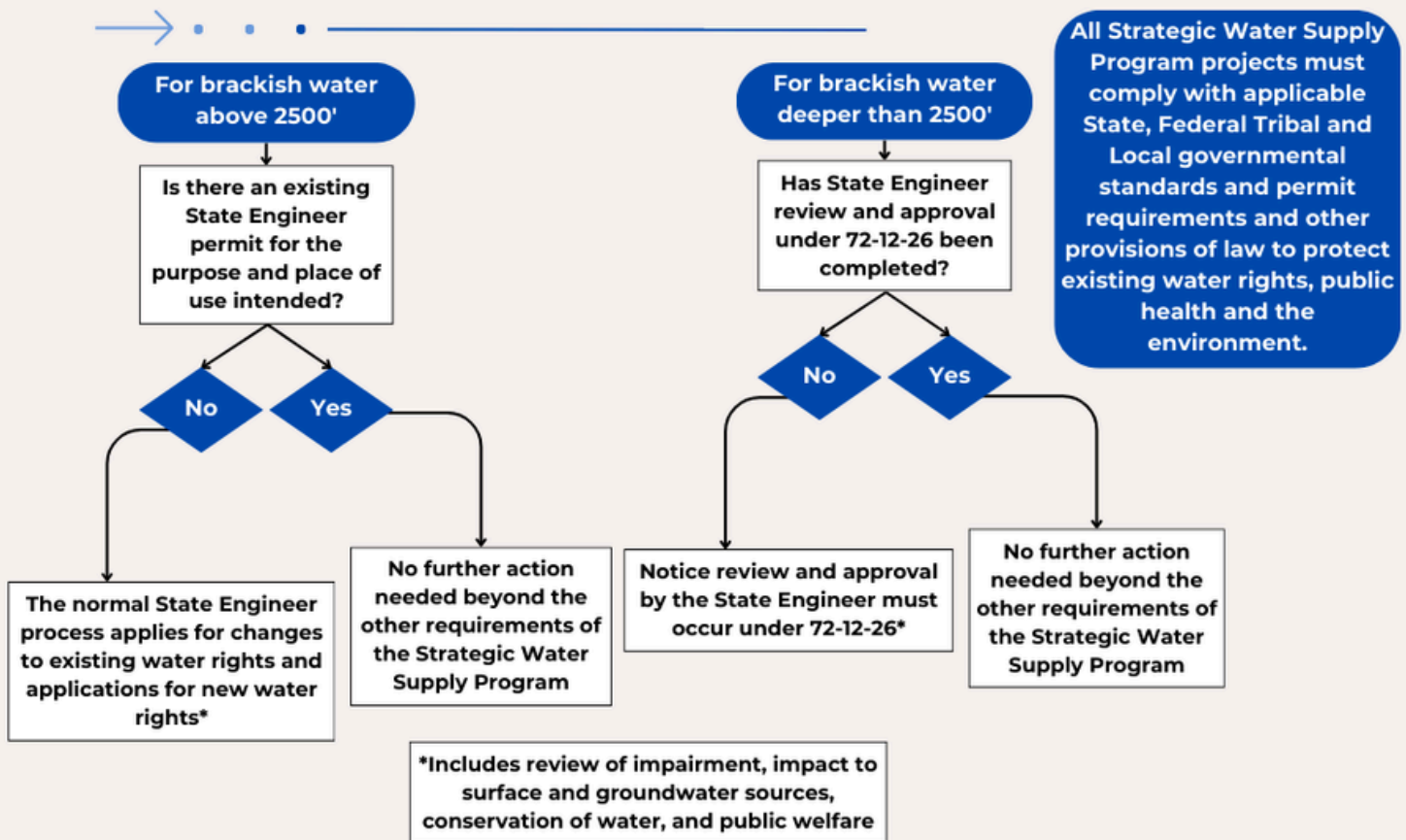
The Strategic Water Supply will NOT:

- Pollute aquifers or surface water supplies.
- Infringe upon existing water rights.
- Involve the state buying and selling treated water.

Methods:

- An initial appropriation of \$75 million will support SWS brackish water projects through grants and contracts.
- The Environment Department will administer the SWS fund and develop SWS grants and contracts that offset freshwater demand for community needs.
- The Office of the State Engineer will review all proposals to use brackish water to assure freshwater resources are protected and administer grants and contracts to support brackish water research and infrastructure projects.
- The Economic Development Department will help align industry with the goals of the SWS and consult with the other agencies on potential SWS funding agreements.

Flow chart for brackish water permitting by the Office of the State Engineer



Known brackish water wells in New Mexico:

- 3100 wells less than 2500' deep.
- 54 wells greater than 2500' deep.
- Including brackish water at shallower depths provides more opportunities to advance brackish water treatment projects throughout the State while protecting water rights.

Strategic Water Supply Timeline:

Governor Lujan Grisham announced the SWS in December 2023. Over the last year, NMED and other agencies gathered economic and technical information, evaluated potential end uses for treated water, and shared all of that information with the public and in multiple presentations to legislative interim committees. That information is available through this QR CODE or by visiting www.env.nm.gov/strategic-water-supply.



Examples of industry water needs:

End use	Approximate gallons of water/day	Water quality needed
Semiconductor Manufacturing	2,000,000 to 4,000,000	Ultra-pure water
Solar Panel Manufacturing	1,000,000 to 3,000,000	Ultra-pure water
Electric Vehicle Manufacturing	1,000,000 for assembly, 1,000,000 for battery production	Lower than potable for cooling, potable for production
Pumped Storage Hydropower	300,000 to 8,000,000	Lower than potable
Data Centers	150,000 to 450,000	Lower than potable
Green Hydrogen Production	100,000 to 700,000	Higher than potable
Cement/Concrete Production	100,000 to 200,000	Lower than potable for cooling, potable for production