

NEW MEXICO · WATER UTILITIES · CAPITAL BRIEFING

New Mexico is planning for 25% less water. Your capital program is where that plan gets real.

A drying Rio Grande, a Supreme Court settlement that locks in pumping cuts, a fragmented landscape of a thousand small systems, and a historic wave of state and federal funding. Each of those forces reshuffles the projects on your list. Invizion helps New Mexico utilities re-sequence a capital portfolio in a click — and defend every decision.

25% ⁴ Projected decline in New Mexico's water supply over 50 years — a ~750,000 acre-foot shortfall.	~50 ¹ Days the Middle Rio Grande went dry through Albuquerque in 2025 — and it was projected to dry again in 2026.	\$3.3B ⁷ New Mexico's 20-year drinking-water infrastructure need in the EPA's latest survey.	~\$1B ¹⁷ Awarded through New Mexico's Water Trust Board since 2001 — the state's project-funding engine.
---	---	---	---

Last updated August 2026 · 18 sourced references

THE NEW MEXICO LANDSCAPE

Four forces are moving your project list at once

None of these is theoretical, and none of them waits for your next budget cycle. Together they mean the capital plan you approved last year may already be the wrong plan.

SUPPLY — RIO GRANDE

A river that's running dry — and now a court order

The Middle Rio Grande went dry through Albuquerque for about 50 days in 2025,¹ and researchers now call 85% of the state's Rio Grande use fundamentally unsustainable²

In May 2026 the U.S. Supreme Court approved a settlement ending the 13-year Texas v. New Mexico dispute — requiring New Mexico to cut Lower Rio Grande groundwater pumping by 18,200 acre-feet within a decade.³ That's a hard number your capital plan now has to design around.

SUPPLY — THE 50-YEAR OUTLOOK

The state is planning for a 25% decline

New Mexico's 2024 50-Year Water Action Plan projects supply could fall more than 25% — roughly 750,000 acre-feet — without action.⁴

The response is capital-heavy: a \$75M Strategic Water Supply program for brackish-water treatment⁵ and a 2023 Water Security Planning Act funding regional supply plans.⁶ New supply is now a project portfolio, not a policy statement.

SYSTEMS — FRAGMENTATION

A thousand systems, most of them small

New Mexico has roughly 1,055 public water systems serving ~2.1 million people — but 32 large systems serve about 74% of the population, while some 800 systems serve 500 people or fewer.⁸

More than a third of community systems have fallen out of compliance, against a thin bench of certified operators.⁹ Capital and compliance capacity are unevenly spread — and the funding has to reach the systems that can't self-finance.

COMPLIANCE — AGING & QUALITY

Renewal, PFAS, and lead on the same clock

New Mexico carries roughly \$3.3 billion in 20-year drinking-water needs, with billions more in unfunded costs reported by utilities.⁷

PFAS is already a live liability — the state fined Cannon Air Force Base after a 2024 spill of PFAS-contaminated water¹⁰ — and lead service line inventories are underway statewide. New mandates stack on top of the renewal backlog; something on the list has to move.

WHO RUNS NEW MEXICO'S WATER

A few large public authorities, and a very long tail

A handful of municipal authorities serve most New Mexicans, while hundreds of small municipal, county, and mutual-domestic systems serve the rest. Two investor-owned utilities are regulated by the state commission.

Public authorities & municipals

Rates & capital set by their own boards and councils

Albuquerque Bernalillo County (ABCWUA) 650K+ users · ~214K accounts 10

City of Las Cruces ~102K served · 100% groundwater 12

City of Rio Rancho ~104K residents

City of Santa Fe Water Division Rio Grande & San Juan-Chama supply

200+ mutual-domestic associations The small-system long tail 18

Investor-owned utilities

Rates regulated by the NMPRC

New Mexico Water Service Co. ~21K served · 10 systems 13

EPCOR (New Mexico) Investor-owned water operations 13

Smaller private systems Scattered statewide

ABCWUA's FY25–FY34 Decade Plan alone commits \$487M+ to core rehabilitation — a scale of program where sequencing and defensibility matter most. 11

Every capital dollar has to be defensible

Whether the decision sits with a utility board or the state commission, the question is the same: why this project, why now, why at this cost? In New Mexico, a court settlement now sets part of the answer.

NMPRC, restructured in 2023 from five elected to three appointed commissioners, regulates investor-owned utilities; ABCWUA and municipals set their own rates.¹⁴

Office of the State Engineer / Interstate Stream Commission

administers water rights, adjudications, compact compliance, and regional water planning.¹⁵

NMED holds Safe Drinking Water Act primacy — PFAS enforcement, lead-and-copper inventories, and the compliance capital that follows.¹⁶

The Rio Grande settlement now locks in a pumping-reduction schedule — capital plans in the Lower Rio Grande have to be built around it.³

The money is moving — can your plan absorb it?

New Mexico has committed historic sums to water. The constraint is no longer only dollars — it's readiness: which projects are shovel-ready, which qualify, and how the timing lines up with everything else on the list.

Water Trust Board / NM Finance Authority — nearly \$1B awarded since 2001, with an added \$200M appropriated in 2025¹⁷

~\$174.9M in BIL water funding since 2022, including \$24.9M dedicated to lead service line replacement¹⁸

\$75M Strategic Water Supply program (2025) for brackish-water treatment and new supply.⁵

State Revolving Funds administered through NMED and the NM Finance Authority, with set-asides for disadvantaged communities¹⁸

NEW MEXICO WATER, IN BRIEF

Questions New Mexico utility leaders are asking

Short, sourced answers — the same facts we'll dig into on a call, in the context of your system.

Is New Mexico running out of water?

New Mexico's 2024 50-Year Water Action Plan projects supply could decline more than 25% over 50 years — a shortfall of roughly 750,000 acre-feet — without action. The Middle Rio Grande went dry through Albuquerque for about 50 days in 2025⁴¹

What did the Texas v. New Mexico Supreme Court case decide?

In May 2026 the U.S. Supreme Court approved a settlement ending the roughly 13-year Rio Grande Compact dispute. New Mexico must reduce Lower Rio Grande groundwater pumping by 18,200 acre-feet within 10 years, and the Legislature approved more than \$22 million to retire farmland, fund conservation, and add monitoring.³

What are the 50-Year Water Action Plan and Strategic Water Supply Act?

The 50-Year Water Action Plan (2024) is the state's response to a projected 25%+ decline in supply. The Strategic Water Supply Act (HB 137, 2025) created a \$75 million program — \$50 million of it for brackish-water treatment — and the 2023 Water Security Planning Act funds regional water security plans through the Interstate Stream Commission.⁵⁶

Who regulates water utilities and rates in New Mexico?

The New Mexico Public Regulation Commission — restructured in 2023 from five elected commissioners to three appointed — regulates investor-owned utilities. Large public providers such as ABCWUA and municipal systems set their own rates through their boards and councils.³⁴

What funding is available for New Mexico water infrastructure?

The Water Trust Board, administered by the NM Finance Authority, has awarded nearly \$1 billion since 2001, with an added \$200 million in 2025. The state also administers Drinking Water and Clean Water State Revolving Funds and has received about \$174.9 million in Bipartisan Infrastructure Law water funding since 2022, including \$24.9 million for lead service lines.¹⁷¹⁸

How does Invizion help New Mexico utilities plan capital programs?

Invizion is scenario-based capital portfolio optimization for water utilities. It lets you model how a supply cut, a funding award, or a compliance deadline reshuffles your whole project list, re-sequence the portfolio automatically, and keep a defensible record of every decision for the PRC, your board, or ratepayers. The best next step is a short first meeting to look at it against your own program.

REFERENCES

Sources

Every figure in this briefing is tied to a primary or authoritative source.

1. Source New Mexico, "Climate change, overuse send the Middle Rio Grande into dire situation" — ~50 days dry through Albuquerque in 2025, March 2026. sourcenm.com
2. Source New Mexico, 2026 — study finding 85% of New Mexico's Rio Grande water use fundamentally unsustainable. sourcenm.com
3. Source New Mexico, "Supreme Court approves Texas v. New Mexico settlement" — May 2026 approval; NM to cut Lower Rio Grande pumping 18,200 AF within 10 years; \$22M+ approved. sourcenm.com
4. New Mexico 50-Year Water Action Plan (2024), via Source New Mexico — supply projected to decline >25% (~750,000 AF) over 50 years. sourcenm.com
5. Office of the Governor / Southwest Environmental Finance Center — Strategic Water Supply Act (HB 137, 2025): \$75M program, \$50M for brackish-water treatment. swefc.unm.edu
6. Conservation Voters New Mexico / NM Legislature — Water Security Planning Act (SB 337), signed April 2023: regional water security plans via the Interstate Stream Commission. cvnm.org
7. New Mexico Legislative Finance Committee, "State-Funded Water Projects" Policy Spotlight (Aug. 2024), citing EPA DWINS — ~\$3.3B 20-year drinking-water need; \$5.7B unfunded FY25–FY29. nmlegis.gov
8. NM Legislative Finance Committee, 2024 — ~1,055 public water systems serving ~2.1M; 32 large systems serve ~74%; ~800 systems serve ≤500 people. nmlegis.gov
9. NM Legislative Finance Committee, 2024 — 36% of community water systems out of compliance; certified-operator shortage. nmlegis.gov
10. Albuquerque Bernalillo County Water Utility Authority — ~214,000 accounts, 650,000+ water users; 3,000+ miles of water pipe, 2024. abcwua.org
11. ABCWUA FY2025–FY2034 Decade Plan — \$487M+ in core rehabilitation capital. abcwua.org
12. City of Las Cruces Utilities — ~102,000 served, 100% groundwater from 29 wells, 2024. las-cruces.org
13. New Mexico Water Service Company (Cal Water Group) — ~21,000 served across 10 systems; EPCOR also operates investor-owned water in NM. newmexicowater.com
14. JD Supra / Husch Blackwell — NMPRC restructured from five elected to three appointed commissioners, effective Jan. 1, 2023. jdsupra.com
15. New Mexico Office of the State Engineer / Interstate Stream Commission — water rights, adjudication, compact compliance, and regional planning. ose.nm.gov
16. Santa Fe New Mexican — NMED fined Cannon Air Force Base \$98,780 (Jan. 2025) over a 2024 PFAS-contaminated wastewater spill; NMED holds SDWA primacy. santafenewmexican.com
17. NM Finance Authority / Water Trust Board overview (July 2025) — nearly \$1 billion awarded since 2001; \$200M added for 2025–2026. nmlegis.gov
18. U.S. EPA — ~\$174.9M cumulative Bipartisan Infrastructure Law water funding to New Mexico since 2022, including \$24.9M for lead service lines, 2024. epa.gov

ABOUT INVIZION

Capital program optimization for utilities

Invizion is a purpose-built capital lifecycle management platform for water and wastewater utilities. It integrates budgeting, CIP, scenario analysis, and funding-source tracking in one system — so utilities can re-sequence a capital portfolio in a click and demonstrate audit-ready, defensible decisions to regulators, boards, and rating agencies.

See what a defensible New Mexico capital plan looks like — book a 20-minute first meeting.

Book your first meeting →