

A GUIDE TO THE INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)



A number of federal investments in recent years have created an historic availability of funding opportunities for Tribes and Pueblos, states, local governments and other political subdivisions. The Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), is one such opportunity.

The IIJA has authorized more than \$250 billion to advance natural resources conservation, restoration, and accessibility across the country. More information on appropriations made through the IIJA can be found here: <https://bit.ly/3WVfiHN>.

All photos by New Mexico Wild staff.






This report will highlight a few of the programs funded through the IIJA that could be most impactful for New Mexico, some of the challenges to accessing those funds, and present some potential policy solutions that could aid in helping the state overcome those challenges. A full list of the programs included within the IIJA is included as a table in the back of this booklet and a more detailed report on the IIJA can be found here https://www.nmwild.org/wp-content/uploads/2023/02/IIJA-Report_Final.pdf

These federal funds represent significant opportunities related to New Mexico's water resources, in particular. It is no secret that the state is facing a water crisis. The impacts of climate change are here and growing ever more urgent by the day. We can see these challenges firsthand in drying waterways across the state, increasing stress on imperiled and native species, the challenges farmers are facing, attempting to make do with less and less water, and the massive efforts of cities and municipalities to curb demand and implement smart management practices.

It's clear the time is now for unprecedented investment into our most precious and fundamental building block of life: water. But to capitalize on this historic opportunity, New Mexico must be prepared to make investments of its own, addressing some of the challenges in accessing and leveraging these federal dollars.

We see three main challenges to ensuring these dollars are put to maximum benefit:

-  1. Federal grants, even non-competitive grants, have **application requirements that demand time and expertise** to complete, as well as simply tracking the various grant opportunities and due dates. The capacity to apply for these funds needs to be available in staff time and expertise in grant application best practices.
-  2. Most grants require some amount of **non-federal matching funds**. The state will need to ensure pots of money are set up and able to be accessed by its agencies, Tribes and Pueblos, local governments, and other political subdivisions eligible to apply for funds through the programs identified below.
-  3. Water is a technically complex issue and many of these projects will require both **technical and financial management/oversight**. The capacity to manage these projects will need to be available prior to applying for funding.

The IIJA has authorized funds for dozens of programs, many as noted above, related to water supply and infrastructure. Others

focus more broadly on watershed health, wildlife, fire assistance, and other important needs. We have highlighted a handful of what we see as the most relevant programs for New Mexico.

WaterSMART Grants

- Bureau of Reclamation is the overseeing agency.
- IJA appropriated \$400M, divided into two main portions: one for projects that improve condition of natural or nature-based feature and other for implementation of Secure Water Act.
- Applicant must be states, Tribes and Pueblos, irrigation districts, other organizations with water or power delivery authority OR a nonprofit conservation organization working in partnership with one of these entities.
- Many sub-programs but generally funding is used for planning, designing, or constructing projects that will positively affect the state's overall water supply (i.e. water conservation, enhanced water management, new technology, etc.), for the benefits of threatened or endangered species and to increase ecological resilience more broadly, or to prevent a water-related crisis in a watershed that has a nexus to a federal reclamation project.



- Example (funded): The City of Gallup, NM received a grant of \$2M in FY22 to construct a new production well that will produce 217 acre-feet per year of drinking water for the city and surrounding area, increasing the water supply reliability for the region.
- Example (need): New Mexico Department of Finance and Administration's local Infrastructure Capital Improvement Plan Dashboard shows that local governments and subdivisions have included 819 water-related projects for fiscal year 2023. Total estimated costs for these projects are upwards of \$3.8 billion, with funding of \$913.7 million, or just 24 percent, secured to date. Many of these projects may be eligible for WaterSMART grants.

Clean Water State Revolving Fund Loan Program

- Administered at the federal level by the Environmental Protection Agency and at the state level by the Environment Department.
- IJA appropriated \$11.7B for the CWSRF program and an additional \$1B for emerging contaminants.
- Applicants must be municipalities, counties, water and sanitation districts, mutual domestic water associations, Pueblos and Tribes, or private entities (limited.) Applicants

must apply through NMED.

- Loans can be made to complete planning, design, or construction for projects that cover a broad array of objectives but generally relate to wastewater, stormwater, other water quality infrastructure projects, watershed projects, and measuring or reducing both energy and water demands.
- Between this and the Drinking Water State Revolving Fund, which operates similarly but with a focus on drinking water systems, NM was eligible to receive \$63 million in 2022 through IJA funding.



State and Private Forestry Programs

- Program overseen by the US Forest Service (USFS).
- IJA appropriated \$1.5 B.
- Program works with states, tribes, communities, and non-industrial private landowners by providing financial and technical assistance with the goal of ensuring sustainable forests and grasslands, protecting communities from wildland fire, and restoring fire-adapted ecosystems.

Good Neighbor Agreements

- Financial assistance provided through the USFS or Bureau of Land Management.
- Applicants must be state, county, or Tribe.
- Flexible program with the goal of completing forest, rangeland, and watershed restoration. This can include insect and disease work; hazardous fuels and any other activities to restore or improve forest, rangeland, and/or watershed health, including fish and wildlife habitat.



Information on Selected Water Related Funding Opportunities Provided Through the IJA

New Mexico Wild has compiled a longer list of the programs that could be utilized to benefit conservation goals in the state of New Mexico. This is not a complete list and some programs do not have published information or application guidelines at the time of publication of this booklet.

| Program | Sub-program | Granting agency | General purpose | Total Funding Appropriated from IJA | Learn more |
|------------|--|-----------------------------|---|---|---|
| WaterSMART | Environmental Water Resources Projects | Bureau of Reclamation (BOR) | Water management projects within the 17 western states that improve natural features | \$100 M | https://on.doi.gov/3Zld3ij |
| WaterSMART | Water and Energy Efficiency Grants | BOR | 50% cost share for projects that conserve and use water more efficiently | \$300 M (across all sub-programs implementing Secure Water Act) | https://on.doi.gov/3luB4gV |
| WaterSMART | Small-Scale Water Efficiency Projects | BOR | 50% cost share for entities with water or power delivery authority for small water efficiency improvements | \$300 M (across all sub-programs implementing Secure Water Act) | https://on.doi.gov/3WPO05j |
| WaterSMART | Water Marketing Strategy Grant | BOR | Assistance to states, Tribes, and local governments to conduct planning activities to develop water marketing strategies or expand water markets. | \$300 M (across all sub-programs implementing Secure Water Act) | https://on.doi.gov/3jZRtj9 |
| WaterSMART | Drought Resiliency | BOR | Projects that improve communities' ability to respond to and cope with drought | \$300 M (across all sub-programs implementing Secure Water Act) | https://on.doi.gov/3XgelzX |

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|--|--|---|---|--|---|
| WaterSMART | Applied Science | BOR | Funding to non-Federal entities for the development of tools and information to support water management for multiple uses | \$300 M (across all sub-programs implementing Secure Water Act) | https://on.doi.gov/3Zgg8Ak |
| Water Desalination | | BOR | Funding opportunities for ocean or brackish water desalination projects | \$250 M | https://on.doi.gov/3lp7Pw6 |
| WaterSMART | Title XVI Water Reclamation and Reuse | BOR | Supports planning, design, and construction of water recycling and reuse projects with local project sponsors | \$550 M | https://on.doi.gov/3Cvw4F8 |
| WaterSMART | Large Scale Water Recycling and Reuse Projects | BOR | Funding for projects that reclaim and reuse municipal, industrial, domestic, or agricultural wastewater or impaired ground or surface water in a Reclamation state with a total project cost of \$500 M + | \$450 M | https://on.doi.gov/3CfflSK |
| Cooperative Watershed Management Program | | BOR | Funding for watershed groups to develop and implement solutions for their water management needs | \$100 M | https://on.doi.gov/3jUP2OX |
| Clean Water State Revolving Fund | | EPA and at the state level NM Environment Department (NMED) | Low-cost loans for planning, design, and construction of public wastewater facilities and other water quality projects | \$11.7 B; addition \$1 B specifically for projects addressing emerging contaminants (largely PFAS) | https://www.epa.gov/cwsrf |

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|---|-------------|--|--|---|---|
| Drinking Water State Revolving Fund Loan Program | | EPA and at the state level NMED and NM Finance Authority | Financial assistance for replacement and repair of infrastructure that protects public water systems | \$53.9 M; additional set-aside funds specific for addressing emerging contaminants and lead service line replacements | https://www.epa.gov/dwsrf |
| Small Surface Water and Ground Water Storage and Conveyance | | BOR | Funding for small storage and conveyance projects | \$100 M | https://www.usbr.gov/smallstorage/ |
| Abandoned Mine Reclamation | | Department of the Interior (DOI) | Funding to Tribes and states for coal-related land and water reclamation projects. An additional program focused on hardrock mine reclamation was also authorized and funded | \$11.3 B | https://bit.ly/3Gh-c4XQ |
| Federal Orphaned Well Program | | Multiple | Provides funding to plug, remediate, and reclaim orphan wells on state and private land | \$250 M; \$150 M set aside specifically for tribal use | https://on.doi.gov/31MtD59 |
| State and Private Forestry Programs | | US Forest Service (USFS) | Projects focused on wildfire risk reduction and ecosystem restoration activities | \$1.5 B | https://bit.ly/3Z-t2wSu |
| Community Wildfire Defense Grants | | USFS | Assistance for at-risk communities to mitigate the risks of wildfire | \$500 M | https://bit.ly/3ihtr2l |
| State Fire Assistance | | USFS | Financial and technical support provided directly to states to enhance firefighting capacity, support community-based hazard mitigation, expand outreach and education | \$88 M | https://bit.ly/3X9wdWH |

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| Volunteer Fire Assistance | | USFS and locally through Energy, Minerals, and Natural Resources Department | Grants to state forestry agencies to support efforts to provide organization, training, and equipment for rural fire departments for wildfire prevention and response on nonfederal, rural lands | \$20 M | https://bit.ly/3QI1yDu |
| The Joint Chiefs Landscape Restoration Partnership Program | | USFS and Natural Resources Conservation Service | Provides assistance to conduct landscape restoration activities to mitigate wildfire risk, protect water quality and quantity, and improve wildlife habitat | \$180 M | https://bit.ly/3lvFdS2 |
| Wildlife and Sport Fish Restoration | | US Fish and Wildlife Service | Main source of funding for New Mexico's game protection fund, which supports operating budget of Department of Game and Fish | Reauthorized through the IJA | https://bit.ly/3im1mqY |
| Wildlife Crossings Safety Pilot Program | | Federal Highway Administration (FHWA) | Supports projects that aim to reduce wildlife-vehicle collisions and improve habitat connectivity for terrestrial and aquatic species | \$350 M | https://bit.ly/3ieOUcN |
| Surface Transportation Block Grant Program | | FHWA | Flexible funding to states and local governments for projects to preserve and improve surface transportation infrastructure. IJA amended the program to include wildlife collision mitigation projects | \$72 B | https://bit.ly/3GqoiNZ |

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| Good Neighbor Agreements | | DOI and Department of Agriculture (USDA) | Flexible funding that allows USFS and USDA to enter into agreements with state, county, and tribal agencies to perform restoration activities on or adjacent to federal land | \$200 M | https://bit.ly/3WQ8E5f https://on.doi.gov/3WURmUI |
| Voluntary Ecosystem Restoration Projects | | DOI | Grants to states, territories, and Tribes for implementing voluntary ecosystem restoration projects, prioritizing cross-boundary projects and requiring state matching funds | \$400 M | https://on.doi.gov/3k327G6 |
| Collaborative Aquatic Landscape Restoration | | USFS | Funding for projects that restore water quality of fish passage on federal lands | \$80 M | https://bit.ly/3Cx003M |
| Aquatic Ecosystem Restoration and Protection | | BOR | Provides funding for projects aiming to improve fish passage and complete aquatic habitat restoration. A 35% match is required for construction projects | \$250 M | Additional information not available at time of publication. |
| Multi-Benefit Watershed Health | | BOR | Funding for improving watershed health in river basins adversely impacted by a Reclamation project. Flexible project parameters but must only focus on enhancement, not mitigation | \$100 M | https://on.doi.gov/3QpAD9Q |

New Mexico Wild's water work is centered on three guiding principles:

- 1) equitable and collaborative water management,**
- 2) river and habitat protection, and**
- 3) water availability for all uses, including native and imperiled species and recreation.**

Through these lenses, we work to protect and restore rivers and ensure equitable access for the plant, wildlife, and human communities that depend on them.



The New Mexico Wilderness Alliance (New Mexico Wild) is a nonprofit 501(c)(3) grassroots organization dedicated to the protection, restoration, and continued enjoyment of New Mexico's wildlands and wilderness areas. Founded in 1997, we achieve our mission through administrative protection, federal wilderness designation, and ongoing stewardship. The goal of this document is to provide policy and decision makers some context on how IJA funding can be deployed to better protect and restore the water, lands, and wildlife of the Land of Enchantment and to identify some of the barriers to accessing these funds.



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