

BREAKING: Feds deny extension of Gila diversion millions

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More than \$60 million in construction funds that were earmarked for a controversial diversion of the Gila and San Francisco rivers in southwest New Mexico are gone, apparently forever.

A letter issued today by the U.S. Department of the Interior's assistant secretary for water and science, Timothy R. Petty, addressed to New Mexico Entity of the Central Arizona Project Executive Director Anthony Gutierrez, spelled out the bad news in unambiguous language.

"The State of New Mexico has had 15 years since the enactment of the Act to identify a feasible project and obtain a Record of Decision to meet the deadline for the additional funding as defined by the Act," Petty wrote. "The slow pace of progress by the State since the passage of the Act shows a lack of urgency and priority by the State for delivering water supplies to rural communities that could be served by the project.

"Even today, a feasible project with necessary funding and contractual commitments has not been identified to enable project success," he continued. "After careful consideration, I regret to inform you that due to the State's failure to make progress, an extension of the deadline identified in Section 212(j) of the Act will not be granted."

The N.M. CAP Entity had sought to use funds made available through the 2004 federal Arizona Water Settlements Act to build a series of diversions on the Gila and San Francisco rivers that originally intended to capture up to 14,000 acre-feet of water per year. This year, the group's plans were modified considerably, and — bringing the proposal within budgetary limits — now projects around 2,000 acre-feet of water being diverted annually.

Because the Entity has made so many changes to its proposed action since forming in 2015, earlier this year the U.S. Bureau of Reclamation informed the group that the federal agency would not be able to complete a draft environmental impact statement — and accompanying "record of decision" indicating the best path forward — in time to meet a Dec. 31 deadline.

Without the record of decision — and after today's denial of an extension from the Interior Department — the Entity will lose access to more than \$60 million that they had been counting on to fund the actual construction of a project.

The state, through the ISC, retains control over another pool of money in the N.M. Unit Fund which could still be used to fund a diversion project — or any other water-related efforts in the southwestern corner of the state.