

My name is Martha Graham. I am the Source Water Protection Specialist for the New Mexico Rural Water Association.

Thank you for the opportunity to speak today.

The New Mexico Rural Water Association is a small nonprofit with over 480 water and wastewater system members, representing over 1,297,000 New Mexicans. We provide technical assistance and training to our members and represent their legislative and regulatory interests. NMRWA partners with community utilities to create sustainable system that in turn provide consistent services and “Quality on Tap” to rural New Mexican families.

Rural public water systems protect public health by providing safe drinking water to their members. They sustain small traditional communities as custodians and conservators of their precious water resources. We, as New Mexicans, owe our rural public water systems and acequia associations a tremendous debt as they are caretakers of the unique cultural and social traditions that make New Mexico an enchanted land.

Water has been a primary topic of the comments provided at this and the June 29 Rulemaking Hearing. And for good reason. Much of New Mexico is water-poor. Current drought conditions in New Mexico show that 87.9% of the state is at least abnormally dry, with just over 80% of the state being in drought conditions ranging from moderate to exceptional.

Thanks to the minimal provisions that the CRA, there is a requirement to demonstrate legal access to water. As we have heard, those provisions have created a dilemma for some – because water IS scarce in New Mexico. The solution to this issue is NOT to suspend these requirements. It is NOT to insert an illegal variance clause that eases the burden of licensees and producers to account for their water and relieves regulatory agencies of their responsibilities to protect our water and other natural resources. It is NOT to sacrifice our valuable traditional communities and lifeways.

Rather, the solution is to promulgate regulations that create a sustainable industry within the natural, cultural, and social environment that *is* New Mexico. The proposed rule has been written without input from people in the rural communities that will be most impacted by producers who want their water and their land.

No one from the RLD or the CCD has reached out to public water systems to educate themselves about the water-related issues rural communities face. Public waters systems have received no guidance concerning the domestic water that they now are being asked to commit to grow cannabis commercially.

We invite the RLD and the CCD to remedy this situation before proposing further CRA regulation. Please – reach out to these communities, listen to their hopes for using cannabis to bring sustainable economic development to their families (not large commercial enterprises), their fears about water availability, and the experiences they have had with medical cannabis growers. New Mexico’s rural communities are the experts on what they want and what they need. No regulations should be promulgated without actively seeking their input.

The Cannabis Regulatory Advisory Committee was written into legislation to help write the regulations. I understand that today this advisory committee has been formed. Unfortunately, the committee had

no input on the two drafts of regulations already written, which heavily favor existing large, licensed producers. Congratulations to the committee members. One of their first actions should be to put a moratorium on further drafting until the committee has had the opportunity to advise on the language written so far and provide guidance on moving forward.

We support and concur with the New Mexico Acequia Association's comments and friendly amendments to the revised rule. As the NMAA has outlined, the Variance Rule is unlawful and must be withdrawn. This variance rule, at 16.8.2.8.Z, would allow either an applicant or licensee to evade statutory and regulatory requirements intended to protect water and the environment, limit plant counts, and address social equity mandates. The variance rule could result in state-sanctioned illegal use of water by cannabis producers. In contrast, the RLD and CCD must rigorously protect our water and environment and ensure through its rulemaking that such protections are enforced.

The next revision of the rule should further ensure smaller growers have the opportunity to benefit from the cannabis economy. The CRA requires the CCD to promulgate rules encouraging participation by agricultural producers from economically disadvantaged communities. These rules should be promulgated either before or simultaneously with cannabis producer license rules. Language at 16.8.1.8 stating that the division "must adopt social equity procedures" pays lip service to social equity, but without clear and specific guidance, and a means to address the startup capital access issues, rural New Mexicans will be priced out of participating in the new cannabis economy. At worst, they will be pressured to sell their land and water rights for out-of-state corporate cannabis entities who do have access to startup and expansion capital. At best they will become serfs on their own land, working for low wages for the cannabis producers who profit from their labor, their land, and their water.

New Mexico's cannabis industry must be developed to be sustainable within the limits of our environment and natural resources. The RLD's CCD can ensure that the industry is successful only by offering clear and informed guidance. Such guidance cannot come solely from large commercial growers. It must come from the communities and people of rural New Mexico.