

May 19, 2021

## Update on the Lower Rio Grande Water Management Pilot Project from the Office of the State Engineer

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### Background

- The General Appropriation Act of 2020 included a general fund special appropriation of \$17 million to the Office of the State Engineer (OSE) to develop and implement a water management pilot project for the Lower Rio Grande basin in FY20-23. In the 2020 1<sup>st</sup> Special Session, the appropriation was reduced to \$7 million.
- The aim of the project is to reduce water consumption in the Lower Rio Grande, promote aquifer health, and improve surface water deliveries by implementing strategies tailored for an era of extended drought and interstate water conflict.
- Interstate Stream Commission (ISC) staff at OSE are tasked with evaluating and testing water management strategies, which will include rotational, voluntary fallowing; aquifer recharge; infrastructure improvement; and supply augmentation.

### Project Status: Phase 1 – Groundwater Conservation Pilot

- In collaboration with several Lower Rio Grande partner entities (LRG partners), OSE/ISC established a groundwater conservation pilot program as the first phase of the water management project. The primary focus of this phase in FY21 is on instituting rotational fallowing, evaluating local governance alternatives, and working with LRG partners to establish a local water user entity to manage project efforts long-term in conjunction with the ISC.
- The groundwater conservation pilot is a grant program available to eligible members of the agriculture community willing to stop irrigating with pumped groundwater for one year. To be eligible, a parcel must be at least 10 contiguous acres in size and must have been irrigated with groundwater only or groundwater and surface water at least four out of the past five years.
- Twenty-four volunteers in the lower Rio Grande valley between Elephant Butte Dam and the Texas border applied for grants that would pay them to cease groundwater pumping at a price per acre of between \$400 and \$800. Applications for lower per-acre price tiers were prioritized for evaluation during OSE/ISC's review.

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- In early 2021, ISC staff reviewed grant applications and began processing contracts for awards ranging from \$6,000 to \$107 thousand each. The awards total approximately \$900 thousand and represented approximately 1,300 acres of land irrigated with groundwater. Some grantees later withdrew due to sales of their property.
  - OSE/ISC and LRG partners will use site visits, photos, remote sensing, and meter readings to ensure program participants are not irrigating the land during the 12-month grant period.

## Project Budget Status

- To date, approximately \$1.97 million of the \$7 million appropriation has been expended or encumbered. This amount includes both one-time costs for program startup and ongoing expenses. The available balance of the appropriation is projected to be \$5.6 million at the start of FY22.

## Key Performance Issues

Groundwater savings from the first round of grants will be evaluated by a technical team. Monitoring wells, mostly managed by the U.S. Geological Survey and the Elephant Butte Irrigation District, in the Rincon and Mesilla valleys will be used to measure the program's impact on regional aquifer depletions. According to OSE/ISC, data recovered from the wells may be analyzed to help decide future areas to consider for a grant process. Because this pilot project is not captured in OSE's quarterly performance reports, the agency will need to provide regular updates on the pilot's progress to LFC staff outside of the Accountability in Government Act reporting process.