

LOWER RIO GRANDE WATER MANAGEMENT PILOT PROGRAM

Legislative Finance Committee

Las Cruces, New Mexico

May 19, 2021

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Special Assistant to the State Engineer

Special Appropriation to the NMISC

STATE ENGINEER \$17,000,000

*For the interstate stream compact compliance and water development program to develop and fund a water management pilot project for the Lower Rio Grande for fiscal years 2020 through 2023. No more than two million dollars (\$2,000,000) from this appropriation may be expended for startup costs in fiscal years 2020 and 2021 and no more than five million dollars (\$5,000,000) from this appropriation may be expended in each fiscal year from fiscal years 2021 through 2023. Local entities shall be responsible for cost-share contributions beginning in fiscal year 2021**

****This amount was reduced during the First Special Session of the 54th Legislature by \$10 million (to \$7 million)***



Intent of Pilot Program

□ **Short-term (Though FY 2021)**

- Determine the resources needed to plan, implement, administer, and verify results
- Establish a test process for fallowing irrigated lands
 - Legal
 - Technical
 - Economic
 - Outreach

□ **Long-term (Current and Beyond FY 2021)**

- Research, develop and test tools for managing water (governance and operations) in the Lower Rio Grande
 - Work to establish an entity to manage a long-term Program
- Develop comprehensive economic and market information
- Develop hydrological studies to evaluate management actions including
 - Reduction of water consumption
 - Aquifer response
 - Improvement to surface water delivery efficiency



Initial Implementation

- The SE and the Director met with staff to initiate the background work necessary to implement the Program
- The background work included
 - ▣ Standing up an internal working group and sub groups to begin scoping the Program
 - ▣ Sub groups continue to assess and report back to internal working group
 - ▣ Internal
 - Legal
 - Agriculture/OSE District 4 communications
 - External
 - Initial meetings were held with the farming community representatives to assess first steps on a rotational fallowing program
 - Hydrology working group

Work Plan details

- \$2,000,000 start-up budget
 - 3 FTE staff – \$300,000
 - Contractual services - \$1,675,000
- Conservation grant agreements developed for 2021 growing season
- Hiring freeze implications on staffing
 - New Coordinator position was filled as of 05-17-21

Work Elements

- **Element 1** - Determine the resources needed to plan, implement, administer, and verify results of various water management actions
 - \$400,000
- **Element 2** - Develop economic and market information
 - \$200,000
- **Element 3** - Establish a test process for voluntary fallowing of irrigated lands
 - \$300,000
- **Element 4** - Develop hydrological studies to evaluate how effectively different water management actions promote aquifer health and improve surface water deliveries
 - \$500,000
- **Element 5** - Explore best practices in water conservation governance and operations
 - \$275,000

Administrative Budget Summary thru FY2021

Service	Original PO Amounts	Liquidated Amount	Remaining Amount to be Expended
Engineering	\$ 343,976	\$ 223,980	\$ 119,996
Legal	\$ 150,000	\$ 75,284	\$ 74,715
Public outreach	\$ 71,500	\$ 55,076	\$ 16,433
Mailing	\$ 2,276	\$ 1,795	\$ 481
Totals	\$ 567,752	\$ 356,136	\$ 211,616

Status of Grant Following Agreement

Encumbrances and Expenditures

- \$865,000 has been encumbered towards the pilot groundwater conservation pilot program.
- Approximately 1,300 acres of irrigated land are participating.
- The total number of grant agreements is 24
 - Some agreements having multiple parcels
- The payment dispersal for the grantee is estimated to be:
 - 75% of the total encumbrance in FY2021
 - 25% of the total encumbrance will occur in FY2022

Next Steps

- Work to establish an entity to manage a long-term Program
- Develop hydrological studies to evaluate management actions including
 - ▣ Reduction of water consumption
 - ▣ Aquifer response
 - ▣ Improvement to surface water delivery efficiency
- Implement next round of Groundwater Conservation Grant Program



QUESTIONS?