NEW MEXICO INTERSTATE STREAM COMMISSION

Reloan Program Policy

September 21, 2005

Interstate Stream Commission Reloan Policy:

1. The Reloan Program is a low-interest source of funding for water conservation projects, provided from the Irrigation Works Construction Fund and funded through the New Mexico Interstate Stream Commission (Commission). The Commission is authorized to make loans under this program pursuant to New Mexico Statutes 72-14-29 and 72-14-33 to irrigation and similar districts (Districts) organized under the laws of New Mexico, to municipalities and political subdivisions, and to acequias. Under this authority, the Commission may make loans, wherein the Districts re-loan to individual or incorporated borrowers for the purpose stated in the statutes.
2. Loans under this authority shall not inhibit or conflict with compliance with interstate compacts, state water management initiatives, or other water management responsibilities.
3. The Commission will administer the Reloan Program through executed contracts and agreements with the Districts.
4. The Commission requires appropriate administration and fiscal accountability of public funds entrusted to Districts for any loans made under this authority.
5. The Commission recognizes the dynamic nature of water management initiatives and strongly encourages recommendations from the Districts and designated staff to improve the Reloan Program to better serve the needs of the people of New Mexico.
6. The review and approval process described below shall be used to determine whether a proposed project is eligible for funding under the Reloan Program.

Interstate Stream Reloan Review and Approval Process:

1. Improvement Description: Districts must include with each loan request a description of current practices and the project proposed for funding.

2. Map & Location: With each loan request Districts shall include a map at an appropriate scale showing the project plans, area, location, and number of acres associated with the improvement.

3. Improvement Justification: Districts should provide documentation with each loan request including a reference to the appropriate NRCS National Conservation Practice Standards (NCPS) and a complete copy of the Farm Irrigation Rating System (FIRS) calculations presenting the technical merit and describe how the proposed project promotes water conservation and other improvements to agricultural practices, including reference to NRCS project considerations.

4. Water Rights: Districts must provide documentation with each loan request that includes the following details about the associated water rights assigned to the project property: OSE File number, sources of water, purpose of use, quantity of water permitted for diversion. If the water rights have been adjudicated, the adjudicated quantity must be provided.

5. Flow Measurement: All funded projects shall be equipped with a flow measurement device. All funded wells or projects served by wells must be equipped with a totalizing flow meter. Other projects, as determined on a case-by-case basis, may require installation of flow metering devices to determine actual water diversions.

6. Annual District Report: Within 30-days after the end of the Fiscal Year, each District will provide an annual letter report that summarizes all improvements funded that fiscal year by the Reloan Program along with a short description of the work that was accomplished and estimated water conservation.

7. Reloan Program Report: The ISC Reloan Program manager will provide an annual report to the Commission presenting a summary of the previous year's funding activities and program status.

Interstate Stream Commission / Office of the State Engineer Project Review Process:

1. Expedited Approval: The ISC Reloan Program manager will review projects and provide an immediate approval of funding for projects that do not result in an increase in overall water use or where the project will not impair other rights or impact compact obligations. The following conservation practices and associated capital expenses will be approved after an expedited review:

    a. Flow Measurement Devices: flumes, weirs, and flow meters, etc.

    b. Water Control Structures: checks, dikes, diversions, drains, drops, divider boxes, surge valves, high flow turnouts, on-farm reservoirs.

    c. Land leveling and smoothing.

    d. Retrofits: Retrofitting and repairs to existing higher-loss sprinkler systems to lower loss LEPA systems, conversion from existing higher-loss sprinkler systems to drip systems; repairs to conveyance systems; and retrofits and repairs to regulating and storage reservoirs.

    e. Automation: Automation of items described above.

    f. Plugging and capping of wells.

2. Technical Review: The State Engineer Water Use and Conservation Bureau (WUC) will review projects that have the potential to adversely affect senior water rights or water management obligations or impact New Mexico's ability to meet its compact obligations.

    a. Within thirty (30) days of the date a completed application has been submitted, WUC will provide a recommendation and specific actions the applicant may need to take. To ensure a thirty 30-day review, project proposals should be submitted during August. If the project proposal is not submitted during August, the WUC cannot guarantee the review will be completed within thirty 30-days and the applicant will be notified when the review will be completed.

    b. The Reloan Program manager shall immediately approve projects that WUC determines:

        i. Do not exceed the consumptive irrigation requirement (CIR);

        ii. Do not impair senior rights or water management obligations; or

iii. Impact New Mexico's compact obligations.

c. The Reloan Program manager will approve proposed projects that WUC determines may adversely impact senior rights or water management obligations or compact obligations, provided that adequate water rights are obtained or other project constraints are in place to negate any adverse impacts on downstream water rights or water management obligations. Costs of such requirements may be eligible for funding through the Program.

Continuing Research and Education:

The Commission will continue to seek input from interested parties and through work groups composed of the OSE, ISC, the Districts, New Mexico universities, NM Department of Agriculture, the NRCS, and other stakeholders to further define conservation practices, increase the number of projects that can be immediately funded without technical review, and reduce the administrative burden and timeline.

Statutes and Definitions:

72-14-29. Loans from New Mexico irrigation works construction fund.

The interstate stream commission is authorized to make loans, on such terms and for such length of time not exceeding fifty years as it shall deem proper, to irrigation and similar districts organized under the laws of the state, to acequia and community ditch associations and to municipalities and other political subdivisions of the state, out of any unpledged funds in the New Mexico irrigation works construction fund for any of the following purposes:

A. doing all engineering and design work necessary for a project;

B. construction of a project; or

C. rehabilitation of any existing project.

72-14-33. ["Project" defined.]

"Project" is defined to include and embrace all means of conserving and distributing water, including, without limiting the generality of the foregoing, reservoirs, dams, diversion canals, distributing canals, lateral ditches, pumping units, wells, mains, pipelines and waterworks

systems and shall include all such works for the conservation, development, storage, distribution and utilization of water including, without limiting the generality of the foregoing projects for the purpose of irrigation, development of power, watering of stock, supplying of water for public, domestic, industrial and other uses and for fire protection.

Consumptive use (U) or evapotranspiration (ET): The unit amount of water consumed on a given area in the transpiration, building of plant tissue, and evaporation from adjacent soil, water surface, snow, or intercepted precipitation in any specified time. The term includes effective rainfall. Consumptive use may be expressed either in volume per unit area such as acre-inches or acre-feet per acre, or depth, such as in inches or feet. Note however, that the consumptive use of water by a crop (evapotranspiration) does not include incidental depletions such as evaporation from canals, ditches and irrigated fields during surface application, transpiration by vegetation along ditches, evaporation of leakage from irrigation water pipes, evaporation of sprinkler spray and drift losses, and evaporation of runoff and seepage from irrigated fields.

Effective rainfall (Re): Rainfall occurring during the growing period of a crop that becomes available to help meet the consumptive water requirements of the crop. It does not include rain that is intercepted by the plant canopy and evaporates, surface runoff, or deep percolation below the root zone.

Consumptive irrigation requirement (CIR): The quantity of irrigation water, expressed as a depth or volume, exclusive of effective rainfall, that is consumptively used by plants or is evaporated from the soil surface during one calendar year. It does not include incidental depletions (see definition of incidental depletions) nor does it include water requirements for leaching, frost protection, wind erosion protection or plant cooling. The consumptive irrigation requirement (CIR) may be numerically determined by subtracting effective rainfall from consumptive use.

On-farm irrigation efficiency (Ef): The on-farm irrigation efficiency is the ratio, expressed as a percentage, of the average low-quarter depth or volume of irrigation water infiltrated and stored in the root zone to the depth or volume of water diverted from the farm headgate or a source of water originating on the farm itself, such as a well or spring. The on-farm efficiency reflects the efficiency of the on-farm distribution system and of the on-farm application system and includes deep percolation losses necessary as a beneficial use for leaching excess salts from the root zone. In the design and operation of an irrigation system and in the administration of water rights, it is

the on-farm irrigation efficiency which is used in the determination of the farm delivery requirement as defined in the text which follows.

Farm delivery requirement (FDR): The quantity of water exclusive of effective rainfall, that is delivered to the farm headgate or is diverted from a source of water which originates on the farm itself, such as a well or spring, to satisfy the consumptive irrigation requirements of crops grown on a farm in one calendar year. The farm delivery requirement is computed by dividing the consumptive irrigation requirement, expressed as a depth or volume, by the on-farm irrigation efficiency, expressed as a decimal.

Off-farm conveyance efficiency (Ec): The off-farm conveyance efficiency is the ratio, expressed as percentage, of the quantity of water delivered to the farm headgate by an open or closed conveyance system to the quantity of water introduced into the conveyance system at the source or sources of supply.

Project diversion requirement or off-farm diversion requirement (PDR): When the source of irrigation water does not originate on the farm, the project diversion requirement or off-farm diversion requirement is defined as the quantity of water exclusive of effective precipitation, which is diverted from an off-farm source to satisfy the farm delivery requirement for one calendar year. An additional quantity of water must be diverted from the ultimate source of supply to make up for conveyance losses between the farm headgate and source of water. Estimated off-farm conveyance losses are added to the farm delivery requirement to arrive at the project diversion requirement. The off-farm diversion requirement may also be computed by dividing the farm delivery requirement by the off-farm conveyance efficiency, expressed as a decimal.

Depletion – The part of a withdrawal that has been evaporated, transpired, incorporated into crops or products, or other wise removed from the water environment. It includes that portion of groundwater recharge resulting from seepage or deep percolation that is not economically recoverable in a reasonable number of years, or is not usable.

Incidental Depletion, On Farm – Evaporation from on farm reservoirs used to store water for irrigation; evaporation from farm ditches and irrigated fields during surface application; transpiration by phreatophytes along farm ditches, evaporation of leakage from irrigation water pipes; sprinkler spray evaporation and drift losses; and evaporation from wetted crop canopies.