UPDATED CREP INCENTIVE PROPOSAL

Neeley Miller (IDWR) presented the updated CREP incentive (PERC), which integrates input from the Idaho Groundwater Association and the Idaho Power Company. He specifically outlined eligibility, monetary incentives, a permanent retirement option and administrative fees.

Discussion Points:

- Whether permanent retirement could be an option at the beginning of the process rather than at the end.
- Reversing the proposed incentive structure so that areas further from the river would receive higher incentives.
- The possibility of adding a parcel size modifier (the idea being that a five acre parcel should not receive the same incentive as a 134 acre parcel, which would save more water).
- The complimentary way in which this incentive could work with AWEP funds to make the transition. AWEP money could be used as a ‘kicker’ to retire surface water rights.
- There is no requirement for the establishment of cover crops.
- There is optimism that this incentive would attract irrigators and groundwater pumpers from Power, Bannick and Bonneville counties, especially for corners and other odd farm shapes.
- IPC wanted to incentivize closer to the river, as there is a quicker response which can make a direct impact on the temperature in the river. There might be places where IPC could add incentives in different zones/places.
- Whether it makes sense to limit the program to 25,000 acres—why not 35,000 or 50,000 acres?
- The possibility of tailoring incentives and having different response zones—more fluidity.
- Establishing an across the board incentive rate of $40/acre (the rate used by FSA). If others want to incentive further, those groups could provide the money for the incentives.
- Prioritization based on geographic priorities (banded zones), relationship to conversions projects and other incentives. Need to consider adaptive management, prioritization and cost/benefits.
- The goal is to capture the maximum number of acres and concentrate on benefit to aquifer.

Next Steps:

- Send comments to Neeley Miller by COB 9/9
- Neely to decide if the feedback merits a follow up call to discuss the input
HYDROLOGIC MODELING OF CREP AREAS

Based on a suggestion from the previous meeting to model CREP areas to determine whether it makes sense to target demand reduction in specific localities, the Department conducted hydrologic modeling and presented the results to the working group.

Discussion Points

- If all sites were used, the results would be cumulative
- The modeling shows different outcomes depending on where the action is taken. There is a big difference in timing and volume of the response. The question is how to target demand reduction for maximum response. To this end, the group might want to consider geographic priorities.

Next Steps

- Send comments to Neeley Miller by COB 9/9
- Neely to decide if the feedback merits a follow up call to discuss the input

DEMAND REDUCTION PROGRAMS IN OTHER STATES

Dave Blew shared some information on the water transactions in Kansas State. He explained that this was a pilot program where only the consumptive portion of water rights were purchased. At the beginning of the program, there were a number of rules, which have been quickly modified to get more people involved. Groundwater pumping is a huge issue. Beginning fifteen years ago, there have been some voluntary curtailments.

Next Steps

- The working group reaffirmed interest in learning from demand reduction programs from other states. Those interested in sharing information are to communicate their interest to Jennifer Graham.
- Jim Tucker to share information on IPC experience with rotating fallowing programs
- Peter Anderson to gather information on California
- Jennifer Graham (CDR) to share information on Colorado.

OUTREACH TO FARMERS FOR AWEP

The Working Group identified the following potential ways to reach out to farmers and identify potential applicants for AWEP funds:

1. Through the local soil conservation districts
2. Via groundwater district annual meetings
3. Idaho Farm Bureau newsletter
4. FSA mailing list
5. Conservation groups (newsletters/emails)
Next Steps

✓ Lynn Tominaga to coordinate with Peter Anderson and IDWR to develop an outreach strategy for AWEP

EVAPORATION LOSS

Rich Rigby shared that he did not find sufficient information on evaporation loss, as the issue was never studied. He speculated as to the reasons why:

- Canals have a relatively small footprint in an irrigated area, and represent a small fraction of total evaporation/transpiration.
- Canals are essential, so there isn't much value in studying the issue.
- It could be very expensive to shade/pipe/cover large canals which evaporate the most water.

In 2009 there was 36,821 acre feet of evaporation loss on the rivers.

NEXT STEPS & UPCOMING MEETING

Next Steps*

<table>
<thead>
<tr>
<th>Action</th>
<th>Responsible</th>
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<tbody>
<tr>
<td>1. Send comments on the PERC incentive outline to Neeley Miller by COB 9/9</td>
<td>All</td>
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<tr>
<td>2. Send comments/questions on the CREP hydrologic modeling to Neely Miller by COB 9/9</td>
<td>All</td>
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<tr>
<td>3. Incorporate feedback into a revised PERC incentive</td>
<td>Neeley Miller</td>
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<tr>
<td>4. Determine whether another call is needed to discuss the feedback from the group</td>
<td>Neeley Miller</td>
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<tr>
<td>5. Gather and prepare information to present on demand reduction in California, CO and on IPC’s experience in rotating fallowing</td>
<td>CA: Peter Anderson CO: Jennifer (CDR) IPC: Jim Tucker</td>
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<td>6. Lynn Tominaga to coordinate with Peter Anderson and IDWR to develop an outreach strategy for AWEP</td>
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*NOTE: Some tasks are repeated here that are mentioned earlier in the document in order to ensure they are summarized in one place.
Next Meeting

TBD (NOTE: In process of rescheduling). The meeting will be a teleconference.

Potential Agenda Items

- Demand reduction programs in other states
- Presentation on the Lemhi River System

MEETING MATERIALS DISTRIBUTED

- CREP Incentive Program Power Point and Table (PERC State Incentive Outline)
- Hydrologic Modeling of CREP Areas (Power Point)

LIST OF PARTICIPANTS

Demand Reduction Working Group Members

<table>
<thead>
<tr>
<th>NAME</th>
<th>AFFILIATION</th>
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<tbody>
<tr>
<td>Brian Olmstead</td>
<td>Surface Water User</td>
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<tr>
<td>James Tucker</td>
<td>Hydropower</td>
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<tr>
<td>Peter Anderson</td>
<td>Conservation</td>
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<td>Randy MacMillan</td>
<td>Spring Water Users</td>
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<td>Will Whelan</td>
<td>Water District 120</td>
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Ex Officio Members & Other Attendees

<table>
<thead>
<tr>
<th>NAME</th>
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<tbody>
<tr>
<td>Brian Patton</td>
<td>IDWR</td>
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<tr>
<td>Chuck Pentzer</td>
<td>Soil Conservation Service</td>
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<tr>
<td>Dave Blew</td>
<td>IPC</td>
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<td>Jennifer Graham</td>
<td>CDR</td>
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<td>Joan Kathol</td>
<td>CDR</td>
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<td>Lynn Tominaga</td>
<td>Groundwater Users</td>
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<td>Neeley Miller</td>
<td>IDWR</td>
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<tr>
<td>Rich Rigby</td>
<td>BOR</td>
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<td>Walt Poole</td>
<td>FWS</td>
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