



**Eastern Snake Plain Aquifer (ESPA)
Comprehensive Aquifer Management Plan**

Demand Reduction Working Group Meeting

**DRAFT MEETING SUMMARY
January 6th, 2010
Teleconference**

PERC Proposal

The Implementation Committee, at the December 16-17, 2009 meeting, requested that the Demand Reduction WG revisit three elements of the PERC Program/proposal: 1) the pivot corners/end guns financial incentive being lower than the other categories, 2) the language included in the “Permanent Retirement Option”, and 3) consideration of a limit/maximum to the PERC Program. The Implementation Committee also requested that the group provide justification statements so that they might understand the recommendation being presented (at the upcoming February Implementation Committee meeting).

1) *Pivot corners/end guns*: The WG is recommending that the monetary incentive structure be kept as is. Reasons for this include: the rental payments are less, generally speaking, for these pieces of land and the land is irrigated less than other types of land. It is harder to irrigate these lands, and therefore it is not done as often. Additionally, these lands are difficult to assess administratively for the program, and this should be considered in project implementation costs... Another concern is that the numbers should provide a picture of the bare minimum that will be provided to property owners for the numbers/type of acres. The WG did suggest that the numbers might be reevaluated in future years, in order to boost the financial incentive. Therefore, the structure should be somewhat flexible. The goal is for the incentive structure to provide enough incentive to get property owners on board and the penalties enough to deter them for getting out of the program.

2) *Permanent retirement option*: The WG will revisit this language, once Neeley has had an opportunity to redraft it (with possible assistance from John Holman). One recommendation is that the term ‘option’ be clarified in legal terms, so that it is legally accurate. Another recommendation is to have two ways to permanently retire the water right:

- a) The IWRB would pay a premium to the property owner for a permanent retirement, payments to the property owner for the contract duration – 10 years, assess the value at the end of the contract and negotiate a payment amount and schedule. (With this option being included, it is important to note that property owners may be leery of signing up because of the difficulty of not having an out.)

and

- b) The IWRB and the property owner can negotiate a permanent retirement at the end of the contract duration.

In both “a” and “b”, both the property owner and the IWRB must be willing to the sale/purchase and the payments made during the life of the contract apply to the purchase price of the water right.

3) *Maximum/Limit for the PERC Program*: A number that has been thrown around as a maximum is \$1M. The WG feels that this is a good number because it represents a program size that justifies

administrative costs and likely doesn't overshoot the market, but may have limitations if this is a highly successful program. At this point though, the WG feels that it is too early to set a limit on funding or acreage allowed into the PERC Program because there is one big unknown: ESPA CAMP funding. Additionally, the PERC Program is something that the WG recommends be revised annually in regards to funding. That way, the program can be adaptively managed and more or less funding can be allocated dependent on overall funding and success of the Program.

Updates on Demand Reduction Outreach for AWEF 2010

As a reminder, the AWEF 2010 process is an accelerated one. Much of the work needs to be completed for the Implementation Committee meeting in February for approval. This way, NRCS will be able to move forward with the recommendations.

There is a Steering Committee including: Clint, Rob, Will, Peter, Gary, Sal, Lynn, Kent, Lance, Brian, Neeley and Cynthia that is meeting to discuss and develop ways to engage property owners in demand reduction strategies and the criteria for selecting AWEF 2010 projects.

Aquifer Demand Reduction Incentives

Lynn reported that there is a meeting on January 21st to discuss 40-acre storage ponds (re-regulating ponds) with canal company managers. These ponds could be used for things such as spring run-off storage. Because it is a re-regulating pond, it wouldn't require some DEQ monitoring. The water could be used for SW water conversions, or even to promote off-peak electricity use by groundwater pumpers. This could reduce a property owner's bill by up to 40%. The storage water would be able to meet (some of their) peak demand. These are just some of the incentives that might help reduce aquifer demand. There is interest and it is continuing to be cultivated.

Conversion to Dry Land Farming

A great deal of the outreach on this strategy will be handled by NRCS. WG input will be essential in how NRCS educates and receives input from potential project owners. NRCS is likely to do public meetings and other smaller meetings in order to do this. Peter and Neeley are going to develop a list of targeted/specific locations for outreach. The incentives that property owners can receive from their water are the fundamental piece of the outreach strategy. Therefore, the WG needs access to the cost schedule to determine how to portray them during outreach. The WG wants willing participants who are able to get water to the conversions and recharge projects. Knowing the cost schedule amounts will be helpful to property owners as they evaluate the incentives, and particularly how they might work in coordination with other incentives.

Crop Mix Modification

Lynn is working with several groups, including NRCS, groundwater users, the Farm Bureau and IDWR to address incentives and criteria for selecting crop mix modification projects. One issue the group is addressing is what needs to be available to make determination on qualifications or if there is already a standard out there to apply here. There is an upcoming January meeting to address this.

For the AWEF 2010 projects, sub-groups are developing outreach strategies, criteria and other elements that they will recommend to the Working Group. The Working Group will, in turn, make recommendations to the Implementation Committee based on their evaluation of the sub-groups ideas.

Preliminary Identification for Criteria in Selecting and Ranking AWEP 2010 Projects

Similar to the Conversions WG, the Demand Reduction WG is pursuing the development of two types of criteria: screening/eligibility and ranking. The screening/eligibility criteria will be used to determine if a project is evaluated or if it is not approved because it does not meet basic requirements. The ranking criteria will be used to evaluate projects against one another and determine if they are an acceptable investment. These two categories of criteria will be used by NRCS to determine if a project is approved or not.

The WG brainstormed initial ideas for criteria, and will have continued opportunities to do so through emailing, the above mentioned sub-groups and at the February 1st Demand Reduction WG teleconference. The following were specifically mentioned as criteria that should be considered:

Screening/Eligibility

- Approval through the established ESPA CAMP process
- Benefit to aquifer
- Consistent with goals and objectives of CAMP
- Within ESPA boundaries

Ranking

- Project provides an environmental enhancement (incentives are included in AWEP practices)

One issue introduced in regards to the criteria is how to address the portion of the AWEP proposal that states: “Producers eligible for funding would be required to have an approved transfer or rental of their water use to an ESPA CAMP approved recharge or conversion use in accordance with state law.” The group will need to address this issue at an upcoming meeting when discussing recommendations related to AWEP 2010 outreach and criteria. The key though is that actions need to be tied back to the Plan, and is not meant to hold the Plan process from implementing projects.

Buy-Outs/Buy-Downs

As a general concept, buy-outs/buy-downs refer to the decrease of aquifer depletion by buying out a water right. In the ESPA, these can be above or below the rim. In the whole scheme of the ESPA CAMP, this could be a real opportunity. Because there are so many unknowns, the WG would like to run ideas by the Implementation Committee at the next meeting. The ideas include: support for buy-outs/buy-downs as a viable and appropriate CAMP activity, funds might be set aside on an annual basis for these practices – which carry over still needs to be discussed, and that bonding for this purpose might be the best option for high-cost purchases. Likely, it will be difficult to set aside “other” IWRB resources for this purpose. Therefore, this year might not be a year to pursue these purchases. An exact number amount was not discussed because of the existing unknowns.

Next Steps and Upcoming Meeting

Action	Responsible
Redraft the “Permanent Retirement Option” language in the PERC proposal	Neeley Miller
Finalize the PERC proposal and introduce it to the Implementation Committee in February	WG

Action	Responsible
Continue small-group meetings to address AWEP outreach and criteria development	WG Members and others
Address/evaluate AWEP 2010 recommendations from small groups	WG Members

Next Meeting

A teleconference on February 1st from 1:00pm-3:00pm

List of Participants

Demand Reduction Working Group Members

NAME	AFFILIATION
1. Peter Anderson	Conservation
2. Randy MacMillan	Spring Water Users
3. Brian Olmstead	Surface Water Users
4. Will Whelan	Conservation

Ex Officio Members & Other Attendees

NAME	AFFILIATION
5. Stephen Goodson	Governor's Office
6. Brian Patton	IDWR
7. Chuck Pentzer	Soil Conservation Service
8. Neeley Miller	IDWR
9. Joan Sabott	CDR Associates
10. Lynn Tominaga	IGWA