

Presentation

Plan A Base allocation to 90% of certified acres
Additional reductions will be necessary in water short years
3 year allocation of 15"/year
would not use more than 18" in water short years

★ Reduction in acres does not change the allocation ★ 10% annual acre
5% upland acres

Plan B Incentive programs to retire acres with money generated by charging for more use than the 10" base

CREP \$125/acre est.
20% state or local match money
est. \$ 1.2 million
for 50,000 acres

Allocations will be given to Municipal, Livestock operations & Industrial Users

Transfers of Water Use could be done, but no more than your remaining allocation in 3 year period.

NRD reads & maintains meters will be a goal of NRD

Questions & Answers

What is the situation if I want to raise a crop that uses 30" in one year? If many irrigators did that in the same year, then there would be a serious problem with compliance. You could reduce acres & apply the water to a smaller field, while not irrigating the acres from the transfer field.

How soon in year will we know we are in a water short year, so we would know we couldn't put 30" on that crop because of allocation rules.

Q In water short years, why is the additional reduction 100% in alluvial area + only 50% reduction in upland?

A Response is quicker in alluvial. The incentive program is designed to take economic damage out of cut-backs in water short year.

Q What will be done with MRNRD + URNRD boarder issues?

A will need some modification to current cooperative agreement so they can keep similar administration from both sides.

CRP rule - eligible land needed to be irrigated between 1996 - 2001. (This should not be allowed to slip past 2002.)

Land owner must be the person who designates 100% idle acres, not the renter. The URNRD irrigators have rental agreements that have \$ penalties if renter over uses water on landlords properties.

Comment - I have 2 alluvial wells, we shouldn't have an unfair burden. Perhaps a higher cap would be more fair if they are going to have to cut back more in water short years.

Q How can state take our water + not compensate us?
i.e. Doesn't this apply to the "takings" concept?

PLAN A

1. 10% reduction in certified irrigated acres.
Acres identified for reduction may change from year to year but must have a history of use.
11" of allocation in lieu of 10% reduction.
2. 15" base allocation.
3 year allocation beginning in the 2005 crop year.
Limit reserve to 6 inches.
No more than 3" overuse in any year.
Not allowed to use reserve in "water short year"
3. New wells since July 1998 - 2" less than base.
4. WATER SHORT YEAR - Additional reduction of 10% in alluvium, 5% for upland wells. Short term incentive program to fund compensation for these additional reductions. Primary funding shall be other than district funds.
5. Incentive program to temporarily or permanently retire irrigated acres.
6. Significant penalties for overuse, especially in "water short years"

PLAN B

Base Program

Allocation - 10 in./ yr. for three years – 30” total

No over-use in water short year.

Maximum use in normal year – 14”

Maximum reserve - 6”

Penalties: overuse of 1” = 1 to 1 next allocation

2” = 1 to 3 next allocation (total of 4 inches)

3” = 10 % reduction of irrigated acres (total of 4 inches plus loss of irrigated acres.)

Cumulative penalty. Can buy out penalty

Emergency Water of 4” to establish cover crop. If at the end of an allocation period an irrigator is out of water or has so little remaining on his allocation that growing an irrigated crop is not practical, he can get 4” to establish a cover crop. He must either buy this water or have it deducted from the next allocation.

Buy Water

Does not count against allocation

16 in. maximum use in normal year.

10 in. free

14 in. maximum use in water short year.

1-6 in normal year

1-4 in water short year

<u>inch</u>	<u>\$</u>	<u>Total/ acre \$</u>
1	2	2
2	4	6
3	8	14
4	16	30
5	32	62
6	64	126

Buy somewhere between Feb.1 and May 1.

Buy anytime during allocation period. \$10 / acre late fee

No payback for not using - Use or lose it

Consideration for crop year (ex. wheat after beans)

1998 wells : reduce to 27” allocation, buy water at 9.

Retired acres - eligibility

Permanent retired – 6 years payments – bid process – yearly signup

Ground water irrigated 4 of last 6 years, 98-03. (no surface water only acres)

Bid process – payments capped at irrigated minus dryland price difference

Temporary retirement – one year to length of allocation period. May be for a full year of allocation or pro rated on remaining allocation. Payment average bid on permanent retirement.

Penalty for fraud – loss of one years allocation. For example: meter tampering, false reporting, etc.