

Tri-Basin NRD
Water Conservation Incentive Program
Commingled Option

Introduction: Tri-Basin NRD launched the Water Conservation Incentive Program (WCIP) in March 2019. The program was initially aimed at groundwater irrigators. One of the main benefits that is anticipated is that it will encourage participants to be more efficient irrigators and help sustain groundwater supplies. We initially excluded CNPPID customers from the WCIP because the incentives set up for groundwater irrigators don't encourage conservation on commingled fields. We want to encourage irrigators who have parcels that have both surface water turnouts and groundwater wells (commingled parcels) to use canal water rather than groundwater on those fields to the greatest extent possible. This has the dual benefit of reducing groundwater pumping and increasing groundwater recharge.

A different approach is needed to incentivize surface water use. We need to incentivize commingled water users to use canal water rather than groundwater. CNPPID customers and landowners with individual surface water rights are eligible to enroll commingled parcels in five year contracts. Participants will be reimbursed by Tri-Basin NRD for the equivalent of the cost per acre of CNPPID water delivery, with the understanding that payments will be reduced by \$5 per acre inch of groundwater used in excess of one inch per acre during the contract period. If, however, CNPPID is unable to deliver the full amount of contracted water to a parcel for any reason, a landowner will be allowed to pump groundwater without penalty to make up the difference between what CNPPID is able to deliver and the full contract amount.

CNPPID charges \$35.66 to deliver nine inches of water to their irrigation customers (2021). Their prices are subject to annual increases. Tri-Basin will pay incentives to landowners based on the current delivery rate at the time of enrollment in WCIP. We won't adjust our payments to active contracts if CNPPID raises prices.

Tri-Basin NRD irrigated acre certification data indicate that there are 114,016 acres in commingled irrigated fields in the Platte Basin portion of Tri-Basin NRD. This is an exaggeration of truly commingled acres, because it includes all irrigated acres in fields that have both an irrigation well and a CNPPID delivery point or individual surface water right. According to CNPPID, they deliver water by contract to 103,068 acres within Tri-Basin NRD (109,000 acres total). Their estimate of truly commingled acres associated with CNPPID deliveries is 82,508 acres. WCIP incentives will be paid on CNPPID contracted acres. Because NRD funds are limited, we will initially approve contracts for

8000 acres. If applications exceed the number of acres allowed for enrollment, applications will be selected for approval using a ranking system.

The WCIP requires annual reporting of groundwater use. As of 2018, only 15,597 commingled acres (TBNRD definition) have flowmeters in place and are reporting water use to Tri-Basin NRD. Applications from landowners with flowmeters currently in place will be favored in the ranking system.

Enrollment will be limited to contracts in place before January 1, 2019. Parcels in which CNPPID water service contracts are in the process of cancellation will not be eligible for enrollment. Landowners will be allowed to enroll additional acres on existing CNPPID water service contracts. Individual landowners will be limited to enrolling a total of no more than 320 acres in the WCIP. In the case of fields with fewer CNPPID contract acres than NRD-certified irrigated acres, landowners need to agree to have seals installed on valves or risers that would enable use of groundwater on CNPPID contract acres. If the seals are broken, recorded groundwater use will be divided among all NRD-certified irrigated acres.