

Draft PERC State Incentive Outline

(10 year duration)

<u>Monetary Incentives Structure</u>	<u>Area</u>	<u>Early Contract Termination Penalties</u>	<u>Permanent Retirement Option</u>	<u>Administrative Fee for Modifications to Contract</u>
<p>Each offer will qualify for a flat rate per acre based upon the following:</p> <ul style="list-style-type: none"> ▪ 0 to 5 acres = ineligible ▪ 6 to 50 acres = \$40/acre ▪ 51 to 150 acres = \$43/acre ▪ 151+ acres = \$45/acre ▪ Pivot corners/end guns* = \$25/acre <p>*to be determined by IDWR</p>	<ul style="list-style-type: none"> ▪ All lands within the Eastern Snake Plain Aquifer (ESPA) boundary qualify if they have been irrigated within the previous 24 months by groundwater from to the ESPA from date of application. ▪ Only total application acreages larger than 5 continuous acres qualify. ▪ Irrigated by groundwater or surface water sources not connected to the main stem of the Snake River, at the rate of not less than ½ acre-foot per acre for 4 out of 6 years, 1996-2001. ▪ The land must be physically and legally capable of being irrigated in a normal manner when offered for PERC enrollment (e.g. must have a valid water right). ▪ Total limit or cap: DR work group recommends leaving enrollment open for first 3-4 years; DR work group would like input from full implementation committee on expected funding levels. ▪ There are no land-use restrictions for land enrolled in PERC although the land must remain dry over the course of the contract. 	<p>In the event of early termination participants would be required to refund all payments received plus interest (IWRB loan rate).</p> <p>In addition to repayment of all funds received, an early contract termination penalty is calculated using 25% of the estimated first year's annual payment. Termination during years 2-6 would involve an additional penalty consisting of 10% of the payment received for each year. Terminations after year 6 will not be allowed.</p>	<ul style="list-style-type: none"> ▪ At the end of the contract the State may exercise the option to buy the portion of the water right pertinent to land enrolled in PERC based upon the appraised value at the time, if participant is willing to sell. These water rights would be held in trust by the Idaho Water Resource Board. ▪ All payments made over the duration of the contract count towards the purchase price of retirement. 	<ul style="list-style-type: none"> ▪ If the applicant decides to change or modify an existing contract then an administrative processing fee will be charged in the amount of \$1,000 for each modification.

PERC is a State-based program parallel to the CREP that is designed to enhance the demand reduction options on the ESPA: 1) CREP, 2) PERC, or 3) CREP + PERC.

CREP	=	\$\$	
PERC	=	\$	
CREP + PERC	=	\$\$\$	(Do we want to extend the PERC program to those currently enrolled in CREP?)