Water Year 2023 Delta Drought Response Pilot Program

Meetings with Potential Program Applicants

Agenda

1. **Welcome & Introductions (Hope and Martha) – 5 minutes**
    a. Webinar etiquette (attendees to remain muted until we open things up to questions)
2. **Agenda Review & Meeting Objectives (Martha) – 5 minutes**
3. **2023 DDRPP Overview (subs a. and b.: Lindsay; sub c.: Michael) – 20 minutes**
    a. Brief Recap of 2022 DDRPP: experience, lessons learned, preliminary results
    b. Looking Forward: What's the same:
        i. Facing another water year with depleted reservoirs and risk of salinity intrusion;
        ii. Program fully funded in current budget at $10 million available to grantees;
        iii. Delta Conservancy will administer the Program with support from several State agencies, Delta Water Agencies and individual water users;
        iv. Application for and acceptance of grants are entirely voluntary at the water right holder level;
        v. Water users will propose practices they believe could conserve water on their farms versus "business as usual" ag practices on nearby fields;
        vi. Water conservation will be measured—entirely by and at the expense of the State—using OpenET (proven, cost-effective, non-invasive, satellite imagery);
        vii. Water conservation will accrue to the salinity intrusion buffer, not for exports or increased diversions by non-grantees; and
        viii. Program continues to seek data—from a variety of practices in a variety of locations within the Legal Delta—that will improve future predictability
    c. What's new:
        i. Program rolling out at the beginning of the new water year
        ii. Wider array of Program objectives:
            - Avian and terrestrial species benefits, in addition to aquatic species
            - Significantly increased ground truthing with deployment of field measurement equipment at six sites scattered throughout the Delta
            - Potential time and practice shifts within overall water conservation goal
        iii. Identification of three categories of practices that proved effective in 2022:

- Non-irrigated small grains
- Deficit Irrigation
- Forgo a Cash Crop
- Plus "other," leaving room for creative proposals

iv. Reverse auction process to replace prior year's fixed price/acre enrolled
- Applicants will "bid" the incentive payment ($/acre) to undertake their proposed practices on their project site;
  - ✓ Differentiate among practices;
  - ✓ Increase overall Program efficiency ($/estimate of AF conserved);
  - ✓ Identify the market clearing price for similar practices;
  - ✓ Pay the market clearing price to selected bids at or below that benchmark; and
  - ✓ Seek best fit between Program objectives and available budget

v. Applications due on October 18 at 5:00PM (rather than rolling application and selection)

vi. Selected applications will be announced in November for the grant period beginning January 1

4. A Deeper Dive on the Reverse Auction Process (Michael) – 30 minutes

a. Bids will be submitted electronically on a form available on the Conservancy website

b. Applicants should bid the lowest incentive payment they would need to carry out their proposed practice at each project site

i. Each application relates to a specific practice at a specific project site (not less than 100 contiguous acres)

ii. Identify a comparison field as nearly comparable to the project site as possible to benchmark efficacy of water conservation practice at project site

iii. No limit on the number of bids by any applicant, but only one bid per project site and no applicant will be offered a grant for more than 1,000 acres

c. Applications for similar practices will be grouped together for comparative evaluation, but the bid form allows more detailed description allowing applicants to differentiate specifics related to location, crop type, timing, etc.

i. Comparatively evaluating proposals for similar practices, a selection committee will determine the market clearing price (the highest price bid to enroll the total number of acres for each practice)

ii. All applications at or below that price will be considered for a grant at the market clearing price

iii. Strategy: bid as aggressively as possible because low bids will be raised to the market clearing price while high bids will be rejected
iv. Objective of the reverse auction is to identify the most cost-effective way to accomplish Program objectives

d. Selecting for Best Fit with Program Objectives
i. Although applications will be initially screened based on economic efficiency (i.e., cost/estimated water savings), but selection depends on more than economics
ii. Applications will be selected to optimize overall Program objectives, not just cost efficiency

5. **Preview of the Online Bid Form (Martha) – 15 minutes**
   a. Step-by-step walkthrough of the bid form
6. **Bird Benefit Practices (Greg on Thursday; Rodd on Friday) – 15 minutes**
   a. Highlight needs of the birds
   b. Discuss why the Program is incorporating habitat practices
   c. Explain why these practices are particularly important during a drought
7. **Research Monitoring Equipment (Michael) – 10 minutes**
   a. Purpose is to calculate total water budgets of enrolled fields and gather additional information about how program enrollment impacts water conservation on site
   b. What makes a good host site for the equipment?
      i. Minimum 20 acres with the conditions below
      ii. Uniform site characteristics such as elevation, field management, soil type, etc.
      iii. Willingness to host the equipment for 3 years
      iv. Easy winter access to maintain the sensors
      v. Avoiding field with large slopes (Note: Michelle and Kosana agree this is probably only a minor risk)
      vi. Limited drainage pipes or drainage tiles (Note: might be limiting for deep soil geoprobe sampling)
      vii. Ideally, sites would also have a limited number of irrigation points of water supply or input and output weirs, but that opens up the question of how many is too many. This is probably easier to discuss with farmers once we have a list of folks willing to host.
8. **Questions and Discussion (Martha) – 20 minutes**
9. **Adjourn (Martha)**