



Missouri Department of Natural Resources

**AMENDED MINUTES
MISSOURI SOIL AND WATER DISTRICTS COMMISSION
DNR CONFERENCE CENTER
JEFFERSON CITY, MISSOURI
JANUARY 13, 2010**

COMMISSION MEMBERS PRESENT: Kathryn Braden, Thomas Bradley, Dan Devlin, Gary Vandiver and Richard Fordyce

EX-OFFICIO MEMBERS: DEAN THOMAS PAYNE, UNIV. OF MISSOURI: Dave Baker; JOHN HOSKINS, DEPT. OF CONSERVATION: John Knudsen; JON HAGLER, DEPT. OF AGRICULTURE: Dennis Baird; MARK TEMPLETON, DEPT. OF NATURAL RESOURCES: Mike Wells

ADVISORY MEMBERS PRESENT: SOIL & WATER CONSERVATION PROGRAM: Bryan Hopkins; NRCS: J R Flores; MASWCD: Steve Radcliff

STAFF MEMBERS PRESENT: Chrisi Armbruster, Milt Barr, Kurt Boeckmann, Jim Boschert, Allan Clarke, David Goggins, Eric McGeorge, Colleen Meredith, Theresa Mueller, James Plassmeyer, Josh Poynor, Jennifer Sieg, Judy Stinson, Ken Struempf, Leon Thompson, Steven Walker, Colette Weckenborg, and Bill Wilson

OTHERS PRESENT: DISTRICTS: **BOLLINGER:** Megan Baker, Beth Eeffink; **CAMDEN:** Connie Luttrell; **COLE:** Jim Frank, Peggy Lemons; **HOWARD:** Beverly Dometrorch; **JEFFERSON:** George Engelbach; **MARIES:** Sandy Hutchison, Amy Neier; **MARION:** Kenny Loveless; **MILLER:** Bonnie Pryor; **MONTGOMERY:** Brenda VanBooven, Ann Whitehead; **OSAGE:** Cindy DeOrnellis; **SHANNON:** Nancy Burrus, Connie Holland; **TANEY:** John Cash; **TEXAS:** Kaven Keller; **STATE OF MISSOURI:** ATTORNEY GENERAL'S OFFICE: Tim Duggan; **OTHERS:** MLICA: Chris Brauer, Jeff Lance; NRCS: Dick Purcell

NOTE: The following is a general summary of the information presented at the commission meeting. For specific information on commission proceedings, please refer to the DVD/Video.

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A. CALL TO ORDER

Chairman Richard Fordyce called the meeting to order, in Jefferson City, Missouri, at DNR Conference Center, at 8:35 a.m.

B. MINUTES OF THE LAST MEETING

Kathryn Braden made a motion to approve the minutes of the November 30, 2009, commission meeting as mailed. Dan Devlin seconded the motion. When asked by the chair, Kathryn Braden, Thomas Bradley, Dan Devlin, Gary Vandiver, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

Kathryn Braden made a motion to approve the minutes of the December 16, 2009, telephone conference call commission meeting as mailed. Thomas Bradley seconded the motion. When asked by the chair, Kathryn Braden, Thomas Bradley, Dan Devlin, Gary Vandiver, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

C. CLOSED SESSION:

Kathryn Braden made a motion to go into closed session to discuss legal, confidential, or privileged matters under § 610.021(1), RSMo 2000; audit issues under § 610.021(17). Gary Vandiver seconded the motion. A poll vote was taken to go into closed session. Kathryn Braden, Thomas Bradley, Dan Devlin, Gary Vandiver, and Richard Fordyce voted in favor of the motion and the motion passed unanimously.

D. CALL TO ORDER

After coming out of closed session, Chairman Richard Fordyce called the meeting to order at the DNR Conference Center in Jefferson City, Missouri, 10:10 a.m.

E. DEPARTMENT OF NATURAL RESOURCES

1. Election of Officers

Mike Wells opened the floor for nominations for the position of chair of the commission. Kathryn Braden nominated Richard Fordyce. Gary Vandiver made a motion to elect Richard Fordyce by acclamation. Kathryn Braden seconded the motion. A poll vote was taken. Kathryn Braden, Thomas Bradley, Dan Devlin, Gary Vandiver, and Richard Fordyce voted in favor of the motion and the motion passed unanimously.

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Mike Wells opened the floor for nominations for the position of vice-chair of the commission. Kathryn Braden nominated Dan Devlin. Kathryn Braden made a motion to elect Dan Devlin by acclamation. Gary Vandiver seconded the nomination. A poll vote was taken. Kathryn Braden, Thomas Bradley, Dan Devlin, Gary Vandiver, and Richard Fordyce voted in favor of the motion and the motion passed unanimously.

F. SOIL AND WATER CONSERVATION PROGRAM DIRECTOR'S COMMENTS

1. Governor's Conference on Agriculture

Bryan Hopkins informed the commission that he, Mike Wells, Bill Wilson, and Ken Struempf attended the conference. He stated that the Governor announced the initiative from the Department of Natural Resources called Energize Missouri Agriculture. He stated there was \$3,000,000 that the Energy Program would provide to producers for energy efficient updates on their property. He also stated there was a \$5,000 cap per applicant. He stated the soil and water districts would be receiving the brochures to provide to their producers. He informed the commission that the Web site had more information on the program.

2. Soil and Water Conservation Program Task Force

Bryan Hopkins stated the goal of the task force is to look at what are the program's priorities, what efficiency gains can be made, and delivery efforts of the programs. He stated this information would be a platform for the commission to consider the recommendations of the task force. He pointed out the task force was not being set up solely to consider budget issues, but to consider priorities and efficiencies for the program. He informed the commission that the vision for the task force included representation from the Supervisors Association, Employee Association, Ex-Officios, Farm Bureau, LICA, MOAG, and other stakeholders.

3. Update on FY 2010 Soil and Water Sales Tax Revenues

Milt Barr provided the commission an update on the FY10 fund balance and revenues summary, the FY11 budget and the FY12 process. He stated that as of January 1, 2010, the sales tax fund balance was \$31,573,689, and the projected revenue for the second half of the year is \$17,907,788. He stated the projected FY10 remaining expenses to be \$28,828,334, which is \$10,920,546 short and this amount will be taken from the fund balance. He stated that left approximately \$20,653,094 in reserve of which SALT, Loan, and research obligations total \$11,100,000, the advance allocation total is \$4,000,000, the district advance cash

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flow total is \$5,000,000, leaving approximately \$553,094 in reserve. He stated that from July through December 2009, the sales tax deposits totaled \$18,855,156, which is \$1,104,051 or 5.53 percent less than the same time last year, and the interest deposits for July through December totaled \$214,814, which is \$331,951 or about 60 percent less than the same time last year.

Mr. Barr proceeded to update the commission on the FY11 projected budget allocation. He stated that because of the projected revenue shortfalls, the FY11 budget was reduced by \$3,455,454. He stated the SALT appropriation was reduced by \$1,020,454, the equipment incentive program was reduced by \$425,000 and the cost-share program was reduced by \$2,000,000. He stated the project FY11 budget total is \$44,491,064, of which \$3,700,000 is for SALT, loan interest share and research leaving \$40,791,064. He stated the projected revenue percentage rate had not yet been officially projected for FY11 yet, therefore the amount of potential shortfall or gain for FY11 is unknown.

Mr. Barr provided the commission with a quick overview of the FY12 budget process.

4. **SALT Reserve Funds Update**

Bryan Hopkins updated the commission on the status of the SALT reserve funds. He stated the SALT program was very successful. He stated that when some of the projects were getting started some of the funds were not used in the first years. He stated that the commission saw this as SALT funds not being used to put practices on the ground so they added some additional SALT projects to use the unspent funds. He stated that the SALT projects were revisited and \$15,000,000 was allocated from the reserve funds to fully support all SALT projects for this year, next year and all the way to 2015. He stated the program received letters asking to use the unspent funds now for projects. He stated the problem was that at the time the funds were not spent the commission viewed them as an opportunity to do more projects and allocated the funds to additional projects. He informed the commission that if the unspent funds were now used the budget for SALT projects would be \$19,000,000 instead of the \$15,000,000 that was set-aside for SALTs. He stated that the SALTs have to stay within the \$15,000,000 budget.

a. **Maries SWCD**

Sandy Hutchison and Amy Neier from Maries SWCD presented a request to receive \$58,894.52 in carryover funds that they had not obligated to landowners in prior years of the project from the cost-share portion of the Upper Big Maries River AgNPS SALT grant. Ms. Hutchison reviewed

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the status of their semi-annual progress report for the commission, as well as historical information on their SALT. She presented a list of questions for the commission to respond too. She stated that Mr. Hopkins had already answered two of their questions regarding the money set aside in reserve for the SALT grant in his presentation. Mr. Hopkins reiterated that the commission took a proactive approach and approved more SALT projects during two years than the appropriations would support because districts historically were not spending 100 percent of their funds. The commission saw the unspent funds as an opportunity to put more projects on the ground. Projects traditionally have been provided not only their budgeted amounts but have been allowed to request unclaimed carryover funds to get more work completed in the SALT watersheds. It is no longer a viable option to provide these additional funds and maintain the planned budgeted amount for remaining SALT projects through fiscal year 2015.

Amy Neier stated that there was a misunderstanding because they assumed there was \$750,000 set aside for their project and any funds at the end of their project would go back to the commission.

After an extensive discussion, the commission took no action on this request. The commission said that although it was unfortunate, districts could no longer be provided unclaimed carry over funds.

G. REPORTS

1. Department of Agriculture

Dennis Baird thanked all that attended the Governor's Conference on Ag that was held in St. Louis and he stated that it was very successful.

Mr. Baird presented an update on the feral hog issue. He stated that they have proposed some legislation, but they do not have a sponsor yet. He stated the feral hog issue is a big problem, and if something is not done, it will have a negative impact for many. Mr. Baird covered some of the language in their proposed legislation.

John Knudsen from the Department of Conservation stated that the hogs can be hunted at anytime without license, but there are some stipulations. He informed the commission that Conservation has some trapping efforts taking place and they are looking at a pilot project in a certain area.

2. Department of Conservation

John Knudsen stated that their new Department Director would be starting the next week and his name is Bob Ziehmer.

3. NRCS

JR Flores presented the commission with an update on the number of dams in counties that will be worked on under the ARRA (stimulus) projects. He stated there were a large number of them.

Mr. Flores stated that for the Conservation Stewardship Program (CSP) they were allocated 369,000 acres and 66, 000 of that was for non-industrial private forestland. He stated that \$7,300,000 had been allocated. He pointed out that there would be another CSP signup later in the year.

Mr. Flores stated they had received \$16,400,000 for EQIP, which was \$2,000,000 less than the previous year. He informed the commission that they had received 650 applications for this at this time. He stated that \$1,200,000 was set aside from EQIP for the Organic Initiative. He provided the commission with information on High Tunnel Systems for Crops.

Mr. Flores stated their soil scientist had updated 1,300,000 acres or 3 percent of Missouri last year.

H. REVIEW/EVALUATION

1. District Operation Section

a. District Support

1. Taney/Stone SWCD- Request for Heavy Seed Bed Prep. Components for a DSL - 1

John Cash from Taney SWCD stated they were requesting to reinstate the heavy seedbed preparation component to the docket. He informed the commission that they have used this for many years because of the harsh conditions of their fields. He stated the cost for this is much higher than what is allowed in the medium seedbed preparation. He stated that the heavy seedbed preparation is done by angleblading, which is a special blade on the front of a bulldozer and it works well. He provided a copy of a letter from the NRCS Area Conservationist regarding this issue. He informed the commission that \$100 hour for a dozer is what they received as a quote from the vendors; it takes 1½ to 3 hours to do an acre.

Mr. Cash asked if a variance could be granted for the one landowner that they started working with last year that has more to do.

Colette Weckenborg informed the commission that Taney County requested site preparation non-cropland heavy to be utilized on the county's specific geography and rocky soils and last year the component cost was \$150 per acre on the NRCS state cost list. She stated the district did not think the grouped seeding cost was sufficient. Ms. Weckenborg covered the definition of site prep non-cropland heavy. She reminded the commission that program staff had worked with them on the FY10 component groupings and the components were approved based on the minimum and necessary needed for erosion control and/or water quality in a typical circumstance. She stated this was consistent with current commission policy. Next, she covered the components for the DSL-1, the definition of site prep cropland medium, the statewide practice average and the DSL-1 policy.

After discussion, Kathryn Braden made a motion to grant a variance for Charles Gower at \$150 per acre and bring the issue back before July 1. Gary Vandiver seconded the motion. When asked by the chair, Kathryn Braden, Thomas Bradley, Dan Devlin, Gary Vandiver, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

2. Harrison – Landowner Request for Variance for Tile Line on 950 Feet

Jim Plassmeyer presented a request from a landowner in Harrison SWCD for a variance for tile line on 950 feet. He stated the issue was that Harrison SWCD could not approve state cost-share assistance due to the fact the practice did not meet NRCS standards and specification because of the trench width. He proceeded to cover the tile installation facts.

Mr. Plassmeyer stated the Code of State Regulations 70-5.30 states: following the installations, it will be the responsibility of the technician to certify to the district that the practice was or was not properly installed. If the district does not receive a technician's certification that the practice was properly installed, they shall not approve any claim to the commission for payment regarding the practice. He stated that in the Cost-Share Handbook Section VIII

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page 5 it states, "The signature of the technician indicates that the technician has reviewed the printed contract payment and verifies that the practice was completed according to NRCS standards and specifications. The technician must sign the contract payment before the board of supervisor can approve the contract payment". He stated that according to the local district conservationist the NRCS standards and specification for underground outlets code is 620 that states, "The minimum trench width shall be outside diameter plus 4 inches except when the trench is shaped to fit".

Charlie Henson addressed the commission regarding the trenching that he had done in the county.

After discussion, Kathryn Braden made a motion to grant a variance for this project. Gary Vandiver seconded the motion.

The Natural Resources Conservation Service was asked to comment on this issue. Dick Purcell covered their requirements for tile installation. He stated that their standards somewhat emulate the American Society of Testing Materials installation standard for agricultural tile. He proceeded to explain their standards and specifications. He reminded the commission that NRCS's job, as charged by the commission, is to enforce their specifications.

When asked by the chair, Kathryn Braden, Thomas Bradley, Dan Devlin, Gary Vandiver, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

3. Review of Fund Status Report

Colette Weckenborg presented an update of the cost-share fund status. She stated that as of December 29, 2009, \$28,703,442.49 had been allocated for FY10 cost-share. She stated that \$18,646,008.84 had been obligated and \$7,575,807.76 was contract paid. She stated that for FY11 on nutrient and pest management the amount allocated was \$1,172,797.25, and of the amount, \$183,783.25 was obligated. She stated that with the additional \$10,000 per district that was approved for the first practice in a resource concern \$177,527.06 had been requested by 40 districts.

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Ms. Weckenborg stated that as of, December 29, 2009, FY10 AgNPS SALT cost-share allocation was \$7,350,240.79, obligated was \$4,441,081.90 and contract paid was \$2,088,601.28. She stated that for FY11 on nutrient and pest management the amount allocated was \$1,557,205.60, and of the amount, \$108,867.22 was obligated.

4. FY 2010 Cost-Share Allocations

- a. Montgomery SWCD – Request Additional Funds in Sheet/Rill Gully Resource Concerns**
- b. Livingston SWCD- Transfer Allocation Between Resource Concern Categories or Use \$10,000 Allocation for Funding Last Contract in Resource Concern**
- c. Macon SWCD – Request for Additional Funds for Ground Water Protection Resource Concern**

Bryan Hopkins stated that there had been requests received for FY10. He proceeded to cover some of the allocations that have been provided to the districts, such as the \$10,000 for first time projects in the Needs Assessment areas in order to get a single project started, combining the number of resource categories which should create flexibility, and provided additional funds for districts that spent 80 percent of their funding. He stated these changes were implemented to help with the Needs Assessment implementation. He stated that requests to transfer funds from one resource concern to another and request to use the \$10,000 to end projects would be difficult to support, and even small requests could set a standard.

Brenda VanBooven from Montgomery SWCD stated that she understood fiscal responsibility of the state. She informed the commission about their issues regarding funding for sheet and rill/gully erosion, allocations, and streambank erosion.

5. FY 2011 Cost-Share Allocations

Bryan Hopkins informed the commission that the cost-share appropriation was reduced by \$2,000,000 down to \$24,000,000 and another \$2,000,000 was being withheld to be used as a mid-year adjustment.

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Jim Plassmeyer stated the FY11 proposed appropriation total was \$24,000,000, \$2,000,000 would be retained to reallocate later depending upon tax revenues collected for the year, and \$900,000 would be used for nutrient and pest management. He stated that the total for the six resource concerns was \$21,100,000. He pointed out that the funds requested by the districts through their Needs Assessment totaled \$56,594,017.30. He proceeded to explain how the allocations were developed for FY11.

Gary Vandiver made a motion to approve the FY11 allocation process as it was presented. Kathryn Braden seconded the motion. When asked by the chair, Kathryn Braden, Thomas Bradley, Dan Devlin, Gary Vandiver, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

a. Bollinger SWCD - Request Additional Funding for WQ - 10 Stream Protection Practice

Megan Baker from Bollinger SWCD provided the commission an overview of a WQ10 in their district that was not included in their FY11 Needs Assessment. She stated they do not have enough funding in the Sensitive Area resource concern for this project.

After discussion, no action was taken.

b. Washington SWCD – Adjust Needs Assessment for N351 Well Decommissioning

When asked about Washington' request, Jim Plassmeyer stated they were asking to amend their Needs Assessment. He stated they wanted to do three well decommissioning practices, but their Needs Assessment was received after the deadline. The commission took no action.

6. FY 2011 Advance Cost-Share Allocation

Jim Plassmeyer reminded the commission that at the November 30, 2009, commission meeting, they approved the \$4,000,000 cap for the advanced allocation process. He stated that with the decision the commission made today to approve the FY11 cost-share allocation total of \$22,000,000 divided by the \$4,000,000 is 18 percent.

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Mr. Plassmeyer stated that each district would be eligible to receive up to 18 percent of their total FY11 allocation as an advanced allocation to be placed in any resource concern not to exceed the individual resource concern's allocation. He stated the districts would have to make the request by April 1, 2010, in a signed board letter. He pointed out that a landowner could not receive payment until after July 1, 2010.

Tom Bradley made a motion to approve the advanced allocation process of allocation up to 18 percent of the district's initial allocation. Kathryn Braden seconded the motion. When asked by the chair, Kathryn Braden, Thomas Bradley, Dan Devlin, Gary Vandiver, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

Chairman Fordyce stated that the commission had just received the Shannon Audit Report earlier in the day and they had not had time to review the report. He stated that a letter would be sent to Shannon SWCD regarding the report.

7. **Practice Policy Review - Field Border Policy Recommendation**
Kurt Boeckmann updated the commission on the practice policy review of the N386 Field Border. He stated the review began after the November commission meeting, the district boards submitted comments until December 31, 2009, and partner agencies provided input regarding the N386.

Next, Mr. Boeckmann covered the provided responses to the comments that were received.

After discussion, Kathryn Braden made a motion to support the N386 Field Border policy changes that were presented in the Draft format and the changes would be effective July 1, 2010, to allow transition into new policies. Dan Devlin seconded the motion. When asked by the chair, Kathryn Braden, Thomas Bradley, Dan Devlin, Gary Vandiver, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

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8. Nutrient and Pest Management Practice

a. Transitional Payment - Offer another Payment Incentive for FY 2011 for Landowners Enrolled in FY 2010

Kurt Boeckmann provided an overview of the N590 Nutrient Management, N633 Waste Utilization and N590 Pest Management practices.

Next Mr. Boeckmann reviewed some of the changes that had been proposed and how the transitional payments for FY11 would work.

Gary Vandiver made a motion to offer landowners/operators the opportunity to enroll in the incentive practices again in FY11 with the current rates/policies, providing the producers have enrolled in FY10. Dan Devlin seconded the motion. When asked by the chair, Kathryn Braden, Thomas Bradley, Dan Devlin, Gary Vandiver, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

b. New Policy Development Direction

Kurt Boeckmann provided an update on the new policy development for the Nutrient and Pest Management, and Waste Utilization. He stated that some suggestions had been received from the districts. He stated that with the new policy there would be a complete review and the opportunity for districts to provide suggestions on policy development. The new policy will consider modern technology and management practices for incentive eligibility. He informed the commission that targeted completion of the review would be before July 1.

1. Cole SWCD – Comments on Nutrient Management Practice

Jim Frank from Cole SWCD referenced a letter with some examples from the Cole SWCD Board of Supervisors. He stated that much of the marginal pastureland has had minimal fertilizer applied in the last few years and the requirement to bring the soils

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back to medium levels for productivity cannot be met with the current N590 Nutrient Management and N633 Waste Utilization Incentives. Mr. Frank discussed that the incentive should be determined in increments of what is required to bring optimum Phosphorus, Potassium and pH levels. He asked the commission to consider a wider spectrum of incentives to address the concerns of the landowners. He was encouraged to submit comments for the practice review cycle.

I. REPORTS

1. MASWCD

Steve Radcliff informed the commission that 581 attended the Training Conference. He stated that next year's date for the Training Conference is November 29, 2010 – December 1, 2010, at Tan-Tar-A. He stated that the association requested that the commissioners attend the three days at Tan-Tar-A and that the commission provide a commission report there. He stated the association would like to have a commissioner at the Area Meetings. He stated the small write up by DNR did not reflect the four-hour meetings.

Mr. Radcliff stated the association asked that if a district audit needs to be done, they would like to see it done by someone other than the Department. He informed the commission that they were working on Lagers for retirement.

J. CLOSED MINUTES

Kathryn Braden made a motion to approve the closed minutes of the November 30, 2009, commission meeting. Tom Bradley seconded the motion. When asked by the chair, Kathryn Braden, Thomas Bradley, Dan Devlin, Gary Vandiver, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

K. SUGGESTED DATE (S) OF NEXT MEETINGS

The next scheduled meeting is March 11, 2010, in Jefferson City, MO.

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L. ADJOURNMENT

Kathryn Braden moved the meeting be adjourned. Dan Devlin seconded the motion.
Motion approved by consensus at 4:29 p.m.

Respectfully submitted,



Bryan T. Hopkins, Program Director
Soil and Water Conservation Program

Approved by:



Richard Fordyce, Chairman
Missouri Soil and Water Districts Commission

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