



SOIL AND WATER Resources

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Inside This Issue

Few Uncommitted Funds in
Soil and Water Conservation
Program Fund Balance

Commission Approves
Changes to DSP-3 Grazing
System Practice

Program Office and
Commission Review
Preliminary Needs
Assessments

Rep. Sutherland Files
Bill to Change Statute
to be Consistent with
Constitutional Amendment

Update on the Proposed
Changes to the Election Rules

MoCREP Reaches its Goals

Soil and Water Conservation
Program Office Hosts
Nutrient Management
Training

Program Office Provides
District Boards with Sample
Personnel Policies

State Issues 1099s Due to
Policy Change from Actual to
Estimated Costs

Commission Supports
Emerging LiDAR Technology

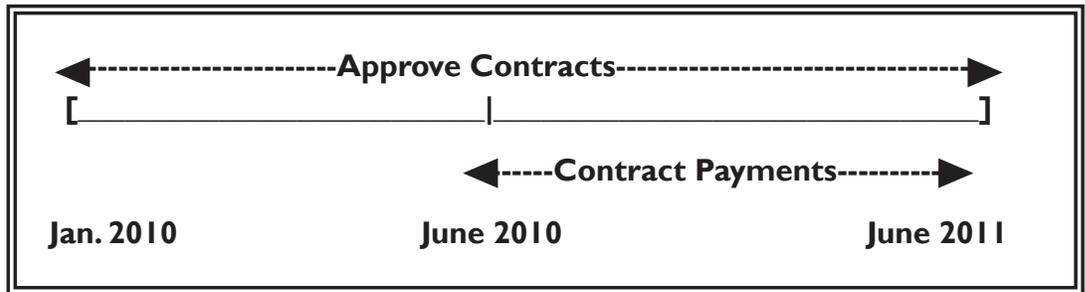
Mark N. Templeton Appointed
New Department Director,
Bill Wilson is Acting Program
Director, Commissioner
Carpenter's Appointment
Rescinded

Two New District
Coordinators Join the
Program Office Staff

Update on Coordinator
Responsibilities

Commission Approves \$10 Million for Advance Cost-Share Funding Allocation Process

The Soil and Water Districts Commission targeted \$10 million of the uncommitted reserve funds for the Advance Cost-Share Funding Allocation process to begin January 2010.



Currently, appropriations from the legislature are allocated to the districts and must be spent in the same fiscal year. This creates problems for the installation of practices in the spring/summer. With the advance allocation, districts will have 18 months to administer the cost-share process. Work can be done January through June (or later) without delays, but contracts must be paid during the following fiscal year as shown in the chart.

Commission Will Not Provide Extra Funds for Fiscal Year 2009

Recently soil and water conservation districts were sent an e-mail soliciting input regarding the fiscal year 2009 cost-share allocation. The information gathered from the districts included the amount of the current FY09 cost-share allocation districts expected to claim, and if additional funds were available this year, the extra amount districts could potentially claim in FY09.

The results of the questionnaire were shared with the commission at its March 11 meeting. The results matched very closely with the earlier projection of \$23 million expected to be claimed in FY09. Some districts indicated that if more funds were available, their district could use these funds in FY09. That amount totaled \$1.8 million. The commission reviewed the results and decided not to extend the cost-share allocation for FY09, citing the anticipated \$23 million in claims and declining parks, soils and water sales tax revenue due to the economy.



Missouri Department
of Natural Resources

Soil and Water Conservation Program

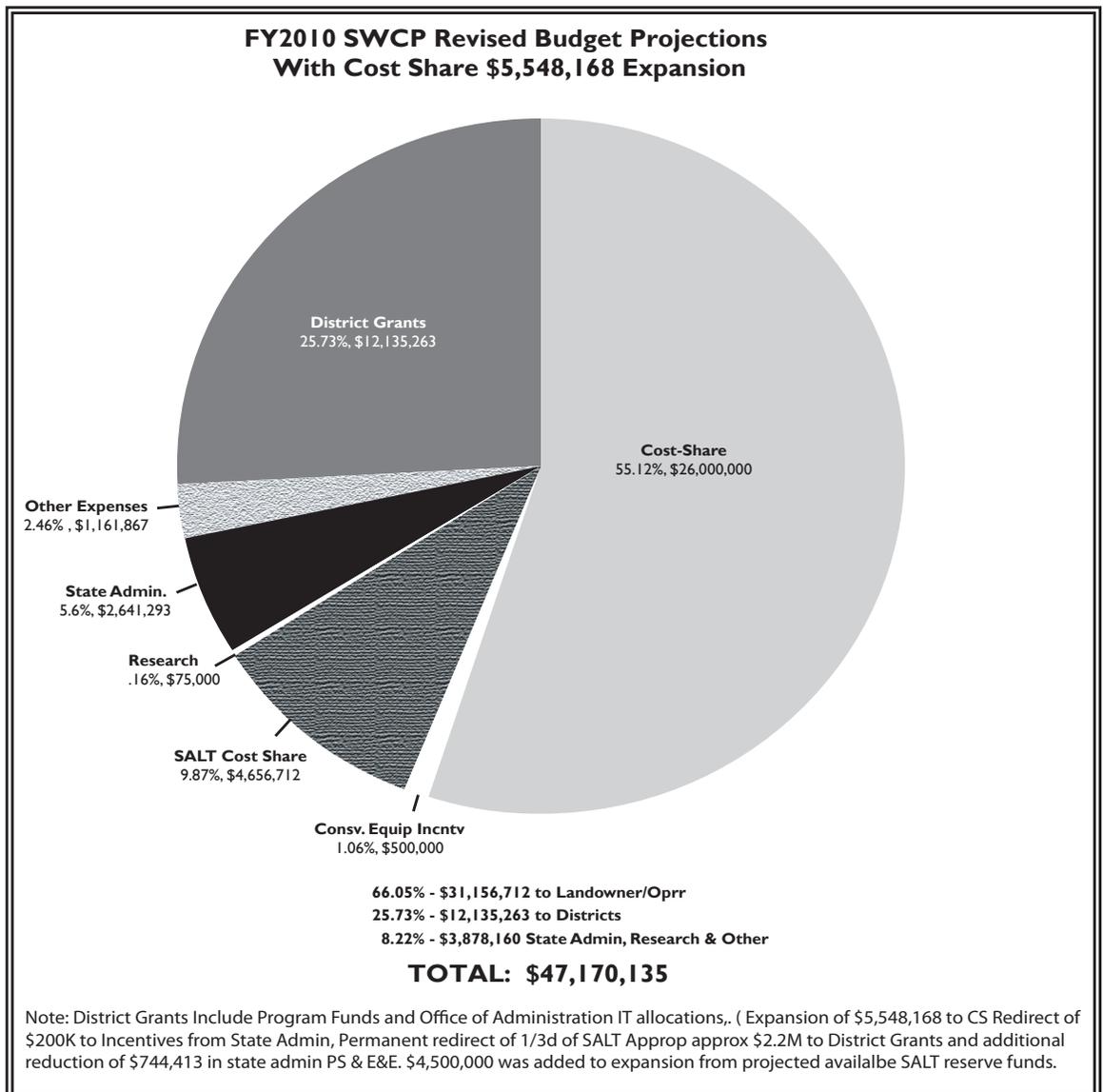
Few Uncommitted Funds in Soil and Water Conservation Program Fund Balance

Lately, there has been a lot of discussion concerning the Soil and Water Conservation Program fund balance. Through the years, each time Agricultural Nonpoint Source Special Area Land Treatment projects were approved, money was set aside to cover the costs of these multi-year projects. There is also money in this fund balance from years when the cost-share allocation was not claimed in full due to weather issues. Money that was not earmarked for the AgNPS SALT program was set aside as a reserve for years with revenue shortages. The program is fortunate to have a fund balance, which allows for more stable cash flow for the appropriation authority. Since all the money in the fund was generated from the parks, soils and water sales tax and interest derived from the money in the fund, it must be spent for soil and water conservation activities.

The fund balance at the beginning of fiscal year 2009 was \$33.5 million. A large percentage of the fund balance is already committed to AgNPS SALT projects and other initiatives such as the advance allocation process. This figure also changes with spending and revenues. The corresponding chart shows how that money is being allocated.

While uncommitted funds of \$3.3 million may seem like a lot of money to an individual, it is important for a program with annual expenses exceeding \$40 million to keep a balance in reserve to ensure cash is available for all commitments regardless of fluctuations in revenue. Also, the program has many great partners in working to protect our valuable soil and water resources. As changes occur financially within their budgets, it impacts how we are able to do business, as seen recently with the computers. If funds are available to react to unforeseen changes, it makes for an easier transition.

Projected Cash	
FY 09 Beginning Year Fund Balance	\$33,505,032
FY 09 Revenue Projection	\$41,053,590
Total	\$74,558,622
Projected FY09 Expenses/ SALT Expenses/ Advance Allocation	
Projected FY 09 Budget	\$42,629,036
Additional FY 09 Cost-Share Expenses	\$ 2,548,168
Designated Reserve for SALT/Loan/Research	\$15,996,740
Advance Cost-Share Allocation Commitment	\$10,000,000
Total	\$71,173,944
Cash plus projected Revenue	\$74,558,622
<u>Total Projected FY09 Expenses and Commitments</u>	<u>\$71,173,944</u>
Uncommitted Reserve Funds	\$3,384,678



Commission Approves Changes to DSP-3 Grazing System Practice

At its Feb. 5 meeting, the commission approved revisions to the DSP-3 Grazing Systems practice. These revisions were effective March 2. There are five DSP-3 practices available to enable producers to construct or intensify a grazing system under the NRCS Prescribed Grazing Standard, Code 528. The practices are the DSP 3.1 Water Development, DSP 3.2 Water Distribution, DSP 3.3 Fence, DSP 3.4 Lime, and DSP 3.5 Seed. Significant changes from the previous policy include:

- After a grazing plan is developed, the DSP-3 practices may be installed independently of the others to work toward implementation of the grazing plan. Cost-share payment will be authorized as each practice is completed according to NRCS specifications and adherence to the grazing plan. The entire grazing system must meet the Standards and Specifications for the Prescribed Grazing, Code 528, within three years after the first contract payment or the entire amount of cost-share received must be repaid.
- Wells drilled for water development may be used for homes or purposes other than the grazing system.
- There is no minimum fertility requirement for installation of fence, water distribution or water development.
- All acres may receive a one-time pH adjustment with lime and interseeding with legumes if soil test requirements are met. Changes have been made to strengthen protection of soil and water resources on grazing land by following a prescribed grazing system without limiting producers by a practice cap, a time limit for improving a system, or a limit to the number of acres that can be enrolled. The same cost-share dollar amounts are available for each acre regardless if a producer has 20 or 200 acres.

Staff recently traveled across the state and held informational meetings about the revised practice. If you were unable to attend a meeting or still have questions, contact your district coordinator.

Program Office and Commission Review Preliminary Needs Assessments

The program office has received all of the preliminary needs assessments with a total of \$49.8 million requested by the districts. The governor's recommended budget includes \$26 million for cost-share for FY10. The preliminary numbers were shared with the commission at its February meeting. In March, the commission held a work session on the needs assessments in preparation for the FY10 cost-share allocation which will be determined at the May meeting.

Preliminary Needs Assessment Totals

As of March 2, 2009

114 Districts Preliminary Needs Assessments Received

Resource Concern	# of Districts	\$ Requested
Sheet and Rill Erosion	110 of 114	\$17,522,981
Gully Erosion	100 of 114	\$15,835,513
Woodland Erosion	76 of 114	\$1,185,729
Irrigation Management	17 of 114	\$1,315,598
Sensitive Areas	74 of 114	\$3,102,342
Animal Waste		
Management	15 of 114	\$ 658,633
Nutrient Management	66 of 114	\$2,430,803
Pest Management	59 of 114	\$1,284,744
Groundwater		
Protection	78 of 114	\$1,054,670
Grazing Mangement	92 of 114	\$5,098,091
Streambank Erosion	44 of 114	\$ 379,440
Total for all Resource Concerns		\$49,868,544

A review of the data prepared by the districts has uncovered several errors, which will impact the total estimated funding requests. The most common errors found in completing the needs assessment included not following commission policies related to dollar limits per practice, listing all three years of the incentive payments for nutrient and pest management in the first year of the assessment, and listing acres or sites for practices but not requesting any funds. District coordinators are currently reviewing the assessments and will notify districts with any concerns.

Rep. Sutherland Files Bill to Change Statute to be Consistent with Constitutional Amendment

Rep. Mike Sutherland, R-Warren, filed HB 428, which clarifies the purpose of the state soil and water conservation cost-share program. The bill language would change the statute to be consistent with the constitutional amendment.

The current statute reads, "Soil and water conservation cost-share program, a state-funded incentive program designed for the purpose of saving the soil of the state through erosion control and abatement." The proposed statute reads, "Soil and water conservation cost-share program, a state-funded incentive program designed for the purpose of saving the soil **and water resources** of this state **for the conservation of the productive power of Missouri agricultural land.**"

Update on the Proposed Changes to the Election Rules

The commission has been reviewing proposed changes to the supervisor election rules. At the February meeting, the following proposed changes were brought to the commission, and prior to the March meeting, two commissioners worked with staff on evaluating these proposed changes. No action was taken at either meeting. The item in bold is the only proposed change that has been modified recently.

- Board shall conduct the election by the date or within one month of the expired term.
- Remove any reference to the nominating committee.
- **Board should place two public notices in a paper of general circulation in the county and in the district's newsletter four months prior to the election. The notice needs to state that there is an upcoming election, state the qualifications to be a candidate, and state that any qualified person wishing to run shall contact the SWCD board two months prior to the election to have their name placed on the ballot.**
- If no valid nominations are filed, the board of supervisors shall nominate a minimum of two individuals to be placed on the ballot.
- Remove reference about the process for a land representative to be added to the ballot by petition if not nominated by the nomination committee.
- If only one eligible person contacts the SWCD board to have their name placed on the ballot an election does not have to be held.
- Elections are to be done by mail ballot. The SWCD will include a self-addressed envelope with each pre-numbered ballot.
- Pre-numbered ballots shall be mailed to all qualified voters not less than 10 days prior to the start of the election period.
- Eligible voting will be based on one vote per deed of assessed agricultural land no matter how many names are on the deed. If a person owns multiple farms and the deed is the same on each of those farms that person will be limited to one vote.
- Ballots will be received in the SWCD office and stored in a locked/sealed location until the end of the election period with the election period being for a month.
- Eligibility for voting will be based on the list of assessed agriculture landowners provided by the county assessor.
- Election judges cannot be current supervisors, employees or relatives of either.

- The board will provide a tally sheet to reflect one vote per pre-numbered ballot.
- The commission will assist the districts with the cost of conducting the elections.

Program office staff estimates the cost of conducting elections with the proposed changes to be \$153,672 statewide based on a normal mailing rate and only half of districts holding an election every other year. If a bulk mailing rate was used, this could reduce the cost to \$98,211. It is anticipated that districts would be reimbursed for any additional costs to implement any of the proposed changes to the election process.

The proposed changes will be reviewed and discussed again at a future commission meeting. As with all rule changes, if the commission decides to proceed, there will be a public comment period.

MoCREP Reaches its Goals

In December, Missouri achieved its goal of enrolling 40,000 acres of highly erodible and environmentally sensitive cropland and pastureland into the Missouri Conservation Reserve Enhancement Program.

MoCREP protects rural public drinking water supplies from nonpoint source pollution and is jointly funded by federal and state dollars. The MoCREP program has helped reduce sediment, nutrients and pesticides from entering drinking water supplies by removing cropland and pastureland that is located in specified watersheds from agricultural production for 10 to 15 years. Additionally, this reduces the cost of treating drinking water and also increases wildlife habitat. Since the program began in 2000, various agencies have contributed toward the administration of this program including the Missouri Department of Natural Resources, Missouri Department of Agriculture, Missouri Department of Conservation, local soil and water conservation districts, Missouri Association of Soil and Water Conservation Districts, Farm Service Agency and the Natural Resources Conservation Service.

The original contract was signed by USDA and the state of Missouri in September 2000, with a goal of retiring 50,000 acres of cropland along streams that supply 83 reservoirs and 58 public water districts. Due to potential concerns in all Missouri drinking water systems, the MoCREP committee made changes to the original contract. In October 2006, an addendum was signed to increase the number of public drinking water supplies that could participate in the program, increase the number of best management practices available to landowners and reduce the total number of acres in the program to 40,000.

Now that the goals have been accomplished, the state will no longer sign up landowners for the program. With all the hard work from all the MoCREP partners, this has been very successful and beneficial to the citizens of Missouri.

Soil and Water Conservation Program Office Hosts Nutrient Management Training

The Soil and Water Conservation Program recently held an optional Nutrient Management Workshop for interested district employees, board members and NRCS staff March 18-19 at Lincoln University's Carver Farm in Jefferson City. Common issues with nutrient management were discussed such as soil and manure testing, interpreting soil test recommendations, nutrient planning, variable rate applications and other issues involving the N590 Nutrient Management and N633 Waste Utilization practices. Approximately 80 people attended the training.

Program Office Provides District Boards with Sample Personnel Policies

Every soil and water conservation district board should have a personnel policy to clearly explain policies and procedures to district employees. In order to help SWCD boards with this task, the program office has created a sample personnel policy available on the SWCD Intranet site, www.swcd.mo.gov/internal/sp.htm, under the Handbooks section.

District boards will be able to modify the policies to fit individual needs. Program office staff will be available to offer support for the policies as they are written on the Web site, but limited interpretation will be made on any policies modified by local boards. If you have any questions, please contact your district coordinator.

State Issues 1099s Due to Policy Change from Actual to Estimated Costs

Many landowners received a 1099 tax form from the state this year for participating in the cost-share program. The state began issuing 1099s for all landowners that received a payment July 1, 2008 or later due to a policy change basing payment on estimated costs. Most landowners are accustomed to receiving a 1099 tax form since the federal farm programs have issued 1099s for many years. Likewise, most accountants are very familiar with this process and are very knowledgeable of where to include this information when filing taxes. If landowners call concerning how to handle the 1099 forms, the program office advises district personnel to let the individual know that he/she must work with their local accountant or call the IRS help line at 800-829-1040.

Commission Supports Emerging LiDAR Technology

The commission pledged its support of a new developing technology that will eventually help district technicians design some practices from their computers without field surveys.



Elizabeth Cook, GIS coordinator, and Marty Comstock, PE, agricultural engineer, both with USDA Natural Resources Conservation Service, presented the commission with a report on the applications of Light Detection and Ranging derived elevation data for conservation planning. LiDAR works by accurately knowing the position of the aircraft and the time it takes for the emitted light to return to the sensor. This allows the ground, buildings and vegetation to be accurately determined. From LiDAR data, you can make elevation models, relief maps, contours, slope maps and aspect maps.

This initiative to provide LiDAR will be a multi-agency effort. This tool could be very useful to many organizations such as Missouri Department of Transportation, Missouri Department of Conservation, Natural Resources Conservation Service, Missouri Department of Natural Resources, soil and water conservation districts, county commissions and local contractors.

Missouri currently has about 7 million acres mapped with a goal of eventually mapping the entire state.

Mark N. Templeton Appointed New Department Director, Bill Wilson is Acting Program Director, Commissioner Carpenter's Appointment Rescinded

Gov. Jay Nixon appointed Mark N. Templeton as the new director of the Missouri Department of Natural Resources. Templeton will focus on expanding the production of alternative energy in Missouri while still preserving and improving the state's natural and cultural resources. A native of Olivette, Templeton was most recently the associate dean and chief operating officer at Yale Law School where he managed more than 200 administrative personnel and an annual budget of \$105 million.

Templeton's environmental experience comes from his tenure with McKinsey & Company, a global management consultancy headquartered in New York. From 2001 to 2005, Templeton worked with clients to explore "green" markets for products and services and develop next-generation jobs in the environmental and energy sectors. While at McKinsey, Templeton advised major organizations in the public, private and non-profit sectors, including the United Nations Development Programme's Commission on the Private Sector and Development. In 2005, he left McKinsey for Yale, his alma mater.

As far as the Soil and Water Conservation Program, Bill Wilson is the acting director until a permanent selection is made. Applications for the Soil and Water Conservation Program director position were received until March 16.

Also with the change in administration, Gov. Nixon rescinded approximately 200 appointments made by former Gov. Matt Blunt between the time the Legislature adjourned last May and when Nixon became governor. Under Missouri law, gubernatorial appointees named while the Legislature is not in session begin their duties immediately, but still must be confirmed by the Senate when the General Assembly convenes. According to a Nixon spokesman, a large number will be reappointed.

One of the Soil and Water Districts commissioners, Kathleen Carpenter, was affected by the rescission. All rescinded appointments, including Carpenter, have been encouraged to reapply.

Two New District Coordinators Join the Program Office Staff

Hudson Peters is the new district coordinator for the southeast portion of the state. He started on Dec. 1 and is stationed in Portageville.

Peters is from Sikeston where he previously worked for Regency Wire and Cable for seven years. He has a degree in agriculture business from Southeast Missouri State University.

Peters looks forward to the challenge of keeping his districts up-to-date with the policies and procedures for the Soil and Water Conservation Program.

He enjoys golfing and fishing in his spare time.

Chrisi Armbruster recently joined the Soil and Water Conservation Program on Dec. 30. She will be the district coordinator for the east central region of the state.

Armbruster, who is originally from Lexington, is not new to the Department of Natural Resources. She worked for the Hazardous Waste Program in the Superfund section for just over a year.



She attended the University of Central Missouri where she double majored in biology and photography and also holds a master's degree in biology with an emphasis in ecology.

As with most new jobs, her biggest challenge right now is the introductory phase and learning the new terminology and duties.

Armbruster enjoys nature photography, gardening and the outdoors. She also enjoys spending time with her husband, family, friends and animals.



Update on Coordinator Responsibilities

Josh Poynor will be covering Chris Wieberg's districts until that position is filled.

The program office is considering options for providing accounting support to the districts. Until that is finalized, all district accounting questions for new coordinators should be routed to one of the following staff members:

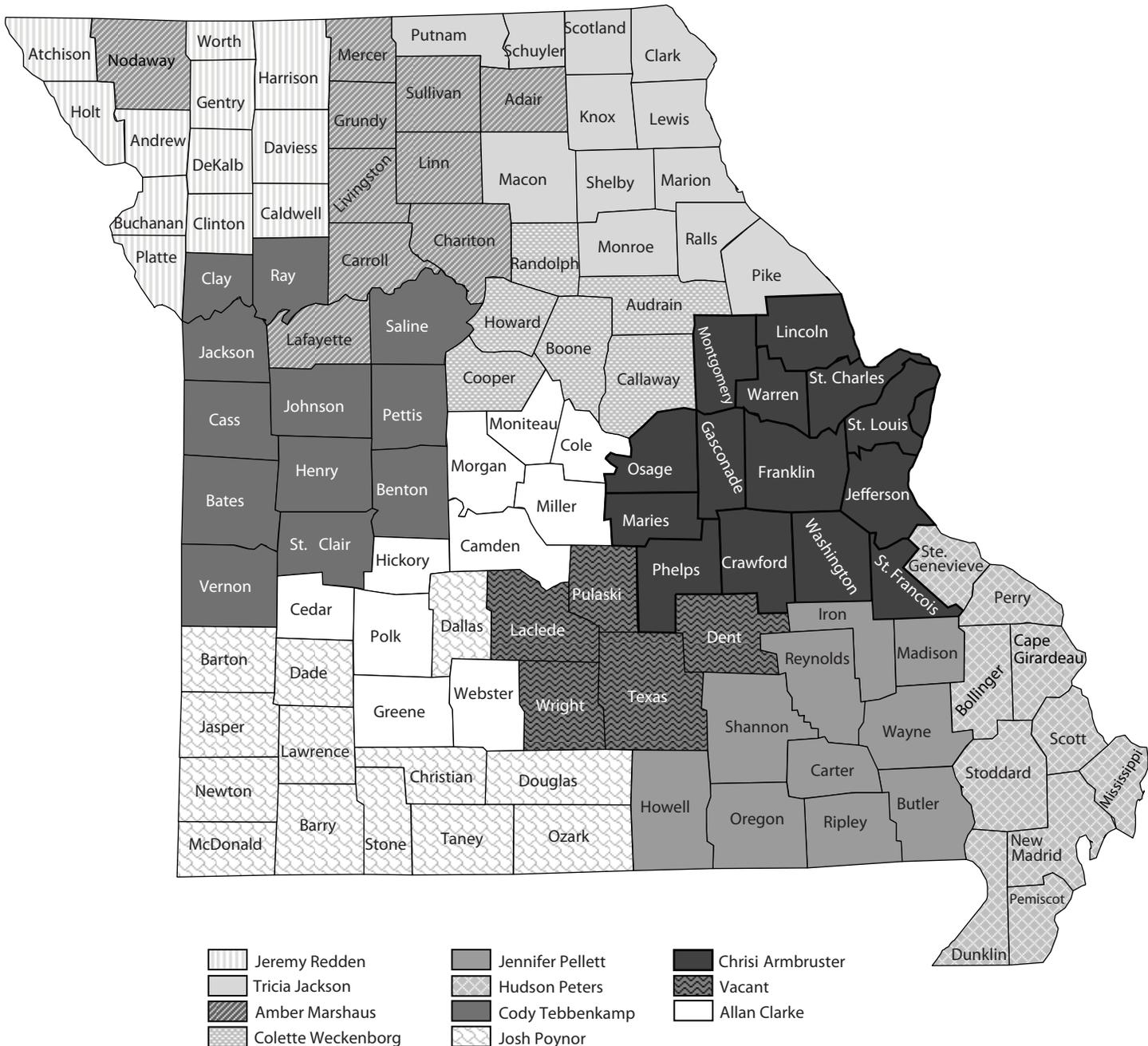
	Office	Work Cell
Cody Tebbenkamp	573-522-3325	573-619-0815
Jeremy Redden	660-582-0439	816-262-3559
Josh Poynor	417-891-4379	573-694-4168
Tricia Jackson	660-385-7999	573-291-1348

Regular Cost-Share Snapshot

Allocated: \$24.7 million
 Obligated: \$20.9 million
 Claimed: \$10.6 million

As of April 3, 2009

Soil and Water Conservation Districts





SOIL AND WATER *Resources*

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