



# Missouri Department of Natural Resources

## MINUTES

### MISSOURI SOIL AND WATER DISTRICTS COMMISSION

Missouri Department of Conservation Conference Room

Jefferson City, Missouri

September 26, 2012

**COMMISSION MEMBERS PRESENT:** Kathryn Braden, Gary Vandiver, Charles Ausfahl, and Richard Fordyce

**EX-OFFICIO MEMBERS:** JON HAGLER, DEPT. OF AGRICULTURE: Judy Grundler; BOB ZIEHMER, DEPT. OF CONSERVATION: Clint Dalbom; SARA PARKER PAULEY, DEPT. OF NATURAL RESOURCES: Dru Buntin

**ADVISORY MEMBERS PRESENT:** SOIL & WATER CONSERVATION PROGRAM: Colleen Meredith; NRCS: Dick Purcell; MASWCD: Steve Radcliff

**STAFF MEMBERS PRESENT:** Jim Boschert, April Brandt, Kerry Cordray, Alan Freeman, David Goggins, Christa Moody, Jennifer Pellett, James Plassmeyer, Ken Struempf, Cody Tebbenkamp, Leon Thompson, Steve Walker, Bill Wilson, Charlie Hansen, Matt Elliott, Patricia Chapman, Darrick Steen, Colette Weckenborg, Jesse Higginbotham, Kurt Boeckmann, Allan Clarke, Jeremy Redden

**OTHERS PRESENT:** DISTRICTS: Cole: Peggy Lemons; Gasconade: Diana Mayfield; Miller: Bonnie Pryor; Osage: Colby Nilges; ATTORNEY GENERAL'S OFFICE: Tim Duggan; MISSOURI FARM BUREAU: Kelly Smith; MSWCDEA: Sandy Hutchison; MLICA: Jeff Lance, Tom Lawler; MASWCD: Beverly Dometrorch; SENATE APPROPRIATIONS COMMITTEE STAFF: Adam Koenigsfeld; GOVERNORS OFFICE: Kip Stetzler; DEPT. OF CONSERVATION: Tim Banek

#### A. CALL TO ORDER

Chairman Richard Fordyce called the meeting to order, in Jefferson City, Missouri, at the Missouri Department of Conservation Central Office Conference room at 8:35 a.m. Kathryn Braden, Charles Ausfahl, Gary Vandiver and Richard Fordyce, were present, which made a quorum.

#### B. MINUTES OF THE PREVIOUS MEETING

##### 1. July 11, 2012 Open Session Minutes

Gary Vandiver made a motion to approve the minutes of the July 11, 2012 Commission meeting. Kathryn Braden seconded the motion. When asked by the chair, Gary Vandiver, Charles Ausfahl, Kathryn Braden, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

##### 2. July 11, 2012 Closed Session Minutes

Kathryn Braden made a motion to approve the minutes of the July 11, 2012 Closed Commission meeting. Charles Ausfahl seconded the motion. When asked

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by the chair, Gary Vandiver, Charles Ausfahl, Kathryn Braden, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

**3. July 20, 2012 Conference Call Minutes**

Gary Vandiver made a motion to approve the minutes of the July 20, 2012 Conference Call Commission meeting. Kathryn Braden seconded the motion. When asked by the chair, Gary Vandiver, Charles Ausfahl, Kathryn Braden, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

**4. July 23, 2012 Conference Call Minutes**

Charles Ausfahl made a motion to approve the minutes of the July 23, 2012 Conference Call Commission meeting. Kathryn Braden seconded the motion. When asked by the chair, Gary Vandiver, Charles Ausfahl, Kathryn Braden, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

**5. July 26, 2012 Conference Call Minutes**

Gary Vandiver made a motion to approve the minutes of the July 26, 2012 Conference Call Commission meeting. Kathryn Braden seconded the motion. When asked by the chair, Gary Vandiver, Charles Ausfahl, Kathryn Braden, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

**6. August 21, 2012 Conference Call Minutes**

Kathryn Braden made a motion to approve the minutes of the August 21, 2012 Conference Call Commission meeting. Charles Ausfahl seconded the motion. When asked by the chair, Gary Vandiver, Charles Ausfahl, Kathryn Braden, and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

## C. SOIL AND WATER CONSERVATION PROGRAM

### 1. Drought Assistance Program

Colleen Meredith introduced Kip Stetzler former Acting Director of the Department of Natural Resources.

#### a. Agriculture Water Resource Technical Review Team Overview

Kip Stetzler presented the Agricultural Water Resource Technical Review Team Overview.

Per the Executive Order 12-08 (EO 12-08), the Agriculture Water Resource Technical Review Team was established to assist in the expedited processing of applications and implementation of the emergency cost-share program through Soil and Water Conservation Districts. The team consists of staff from the Department of Natural Resources (DNR) and Department of Agriculture (MDA).

#### b. Drought Assistance Program Funding Overview

Kip Stetzler presented the Drought Assistance Program Funding Overview.

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Mr. Stetzler presented the main components authorized under the cost-share program for the Livestock Water Source Development, Livestock Water Distribution, Spring Development, Irrigation Well, Irrigation Water Conveyance, and Irrigation System Sprinkler projects.

Total contracts and average cost as of September 25, 2012: (1) livestock -- 5,702 with an average cost of \$4,801; and (2) crop -- 89 with an average cost of \$12,696.

### **c. Compliance Activities**

Kip Stetzler presented a Compliance Activities report.

Executive Order 12-09 established a Program Audit and Compliance Team that reports directly to the State Budget Director. The team will inspect a sample of completed livestock projects to confirm adherence to the Emergency Cost-Share Program criteria. Approximately 110 completed projects have been reviewed by the team to date. The Department has designated four individuals to complete compliance checks on irrigation projects. And the Department's Internal Audit Program is also going to perform a review and audit of districts.

## **2. District Expenses Associated with the Drought Assistance Program**

Kip Stetzler presented the Districts Expenses Associated with the Drought Assistance Program report.

Mr. Stetzler stated there were inquiries from the districts concerning additional state funds to cover administrative and personnel costs incurred by the districts related to the Drought Assistance Program. Soil and Water Districts have incurred expenses related to overtime hours, increased travel expenses and also administrative expenses such as additional paper and copies.

The Program office staff will be reviewing data from district employee timesheets to determine the overtime hours worked. The program staff will also review quarterly reports that will be submitted by districts to determine mileage expenses and administrative expenses. Once this information is compiled, information will be presented at a future Commission meeting.

## **3. FY 2013 Cost-Share/SALT Fund Status**

April Brandt presented the Fiscal Year (FY) 2013 Cost-Share/SALT Fund Status.

Ms. Brandt provided a brief update on the status of cost-share funds as of September 24, 2012. At this time \$21.7 million is allocated. Of the \$21.7 million, \$10.6 million has been obligated with \$2.5 million paid. The FY 2012 numbers shown were as of August 23, 2011. The FY 2013 numbers are higher than the FY 2012 numbers. On August 25, 2012, districts with over \$400,000 obligated in combined drought and regular cost-share were held at their current level of obligation. Districts with less than \$400,000 were allowed to enter contracts into MoSWIMS until close of business on August 28<sup>th</sup>. Once districts learned of the cost-share pause, many rapidly began obligating funds. Districts

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have been allowed to continue to pay contracts that were board approved prior to these dates, and this may explain why the numbers are higher for FY 2013.

The status of AgNPS SALT is roughly \$1.6 million allocated to 22 projects statewide. Of that amount, 35 percent has been obligated and four percent has been paid. The AgNPS SALT funds were also paused with the cost-share funds.

#### **4. Soil and Water Conservation Program Financial Update**

Bill Wilson presented the Soil and Water Conservation Program Financial Update.

The total expenditures for FY 2012 were \$41,533,819, with 67 percent going to landowners, 26 percent to the districts and seven percent to the Program and other state administration.

Mr. Wilson reviewed the Soil Sales Tax Deposits from FY 2007 – FY 2012. The Projected Revenues/Earnings for FY 2013 (based on a two percent increase over FY 2012 Revenues/Earnings) will be \$41,030,594. The projected uncommitted fund balance, after considering the short-term and long-term liabilities, as of July 1, 2013, is \$2,163,551.

#### **5. Follow Up on Cost-Share Allocations**

Ken Struempf presented a report following up on the FY 2013 cost-share allocations.

Mr. Struempf stated that cost-share was paused August 28, 2012 to allow time to evaluate cost-share obligations and focus on implementation of the Drought Assistance Program. At this time action is needed by the Commission to resume regular cost-share.

The total FY 2013 Initial Allocations, as of July 1, 2012, were \$27,173,696. Of that amount, \$10,622,502 was obligated by September 7, 2012. The Drought Assistance cost-share obligated was \$28,665,858. The total of the combined obligated is \$39,288,360.

For future allocations, districts could be allowed to utilize unobligated Regular Cost-Share funds until a total of \$450,000 is obligated for Drought Assistance and Regular Cost-Share combined. The initial allocation for FY 2013 cannot be exceeded for Regular Cost-Share. Pending contracts in the MoSWIMS system prior to the pause in cost-share could be included up to the district's initial allocation in each resource concern category. At least \$15,000 could be provided to each district not to exceed their initial allocation. Some of this funding will be used to cover pending contracts in the MoSWIMS system prior to the pause in cost-share.

The process would be as follows: the Program Office will notify the districts of remaining dollars available to obligate within the county, and allow district boards to determine funding, staying within their initial resource concern allocations. Soil and Water Conservation District (SWCD) Boards will be asked to send in a letter to the Program Office with the allocations, and allocations will be loaded into MoSWIMS.

The following was presented for Commission consideration: Establish criteria whereby the districts with Regular Cost-Share and Drought Assistance obligations above \$450,000

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will be able to obligate an additional \$15,000, not-to -exceed their initial Regular Cost-Share allocations. This \$15,000 should be used to fund any pending contracts in MoSWIMS prior to the cost-share pause, up to the initial allocation in each resource concern. Pending contracts that exceed the \$15,000 will be funded up to their initial Regular Cost-Share allocation. Establish criteria whereby the districts with Regular and Drought Assistance obligations below \$450,000 will be able to continue obligating funds up to \$450,000, or their initial Regular Cost-Share allocation, whichever is less. Pending contracts in MoSWIMS prior to the cost-share pause will be funded up to the initial allocation in each resource concern. Establish criteria whereby the districts with Regular-Cost-Share and Drought Assistance obligations above \$450,000, but below their initial Regular Cost-Share allocation are prioritized to receive deobligated Drought Assistance dollars.

Sandy Hutchison, Peggy Lemons and Beverly Dometrorch addressed the Commission with concerns, questions and recommendations for the cost share funding.

After discussion, Gary Vandiver made a motion to approve the three criteria presented to the Commission and resume Regular Cost-Share as of October 1, 2012. Charles Ausfahl seconded the motion. When asked by the chair, Kathryn Braden, Charles Ausfahl, Gary Vandiver and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

Richard Fordyce opened discussion to amend the motion from the July 26, 2012 Soil and Water Districts Commission meeting conference call. Thomas Bradley had made a motion to approve allocating the remaining \$4.8 million in unallocated funds to further assist the overwhelming response from livestock and crop producers across the state for assistance with drought relief. A portion of these funds should be used for mid-term and long term drought relief assistance. Kathryn Braden seconded the motion.

After discussion, Kathryn Braden made a motion due to unforeseen financial restraints the July 26, 2012 motion would have "A portion of these funds should be used for mid-term and long-term drought relief assistance" removed from the original motion. The amended motion would state : to approve allocating the remaining \$4.8 million in unallocated funds to further assist the overwhelming response from livestock and crop producers across the state for assistance with drought relief.

Gary Vandiver seconded the motion. When asked by the chair, Charles Ausfahl, Gary Vandiver, Kathryn Braden and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

### **6. FY 2014 Needs Assessment**

Alan Freeman presented an update on the timelines for the FY 2014 Needs Assessment.

Mr. Freeman stated that due to the Drought Assistance Program's need for personnel resources and the effect of the drought impacting the conservation needs of landowners and districts, an extension was being considered. The deadline for submitting the Needs Assessment was extended to November 1, 2012. This would allow districts additional time to evaluate the conservation needs of their district as they relate to drought induced

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conservation impacts. The November 1, 2012 deadline will allow program staff time to develop a funding scenario to be presented to the Commission at the meeting held during the training conference in November.

### **7. Calendar Year 2013 District Health Insurance Benefits**

Jim Boschert presented the calendar year 2013 District Health Insurance Benefits.

Presented in the packet was the memorandum 2013-004 which outlines the district health insurance benefits for the Soil and Water Conservation District employees for calendar year 2013. The two plans that are being offered to the district employees and the rates will be the same as the current year. The PPO600 plan has a monthly premium of \$601.08. Of this amount, the state will provided funding to pay \$560.08. The remaining \$41 can either be paid by the employee or the district can use their local funds for this expense. The memorandum states that MCHCP has strongly cautioned the program and asked us to inform the district supervisor's to refrain from covering the cost of the district employee's portion of health care cost, due to increased utilization of the health insurance.

The PPO2000 plan has a monthly premium of \$469.21. The state will pay 100 percent of this premium.

Open enrollment for district employees is October 8, 2012 to November 9, 2012. Prior to open enrollment the employees will receive information on the specifics of each plan. Approximately 90 percent of the employees use the health insurance benefit provided by the state.

## **D. REQUESTS/REVIEW**

### **1. DFR-5 Woodland Protection through Livestock Exclusion / N472 Use Exclusion Policy Revision**

Alan Freeman presented the DFR-05 Woodland Protection through Livestock

Exclusion/N472 Use Exclusion Policy Review. Mr. Freeman reviewed the timeline for the policy revisions, and pending Commission approval they would be updated in the FY 2014 Cost-Share Handbook for a November release to the districts.

During the practice review period, a comment period for districts extended from May 12, 2012 to August 31, 2012. There were six districts that submitted comments for the DFR-5 practice and 10 districts have submitted comments for the N472 practice. Most of the comments are geared towards clarification of policy, with some discussion on incentives available.

Due to similarities of both the N472 and DFR-05 practices, combining these two practices decreases the administrative requirements of maintaining two similar, yet different policies. To provide a smooth transition, variances of the DFR-05 policy were integrated into the N472 policy, which included updates to the applicability statement, specifications and general policies.

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The Applicability Statement now states: "Applies to existing ponds, woodlands, sinkholes, streams, or sensitive areas where vegetation, soil conditions, and water quality are in need of protection from livestock."

The specification section was clarified to state: "the completed practice must meet NRCS Standards and Specifications for Fence and Livestock Exclusion under Access Control contained in the Field Office Technical Guide."

Policy #2 was added: "Spraying is allowed to control noxious weeds along fence lines for maintenance purposes. Prescribed burning of warm season grass stands is an allowed maintenance practice. Prescribed burning of woodland areas is allowed when part of a timber management plan and only in areas that leaf litter removal will not increase erosion processes."

Policy #3 addresses the barriers for livestock and now includes natural barriers as an update from the WQ10 Stream Protection Practice last year. "The area excluded must have boundary fence or natural barriers that contain livestock to the property prior to installing exclusion fence."

Policy #4 had "Annual grazing must" added to it.

Cost-Share will not be authorized for: fence that does not serve the purpose of excluding livestock, such as property lines, rights-of-way, and farm road boundaries or livestock lanes. Also Cost-Share will not be authorized for the reconstruction of fencing. High Tensile Electric (HTE) is recommended in areas where fence is likely to be damaged to lower the landowner's cost if reconstruction is necessary during the maintenance period.

The N472 practice had a \$5 per acre incentive. Comments received from districts said the incentive was not a motivation for landowners and to either increase the incentive or remove it would be better alternatives. The incentive was removed prior to submitting the revised policy to districts and no further comments were received regarding the incentives.

The final proposed revisions were to adjust the practice name to N472 Livestock Exclusion to reflect the purpose of the practice and to remove the incentive associated with the practice.

To allow appropriate planning by districts, the recommendation is that the new N472 Livestock Exclusion takes effect for the FY 2014 contracts.

The following was presented for Commission consideration: Approve the N472 Livestock Exclusion policy as presented to the Commission.

After discussion, Charles Ausfahl made a motion to approve the DFR-05 Woodland Protection through Livestock Exclusion / N472 Use Exclusion Policy Revision. Gary Vandiver seconded the motion. A poll vote was taken. Kathryn Braden, Charles Ausfahl, Gary Vandiver and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

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## 2. Supervisor Appointments

### a. Dent SWCD

Jesse Higginbotham presented the Dent SWCD Supervisor Resignation and Appointment.

The Dent SWCD board would like to appoint Mr. Orvill Swearengin to complete the unexpired term of Mr. Chris Jones who has submitted a letter of resignation. Mr. Swearengin and the district board chairman have signed the new Verification of Supervisor Eligibility form verifying this candidate meets the qualifications to serve on the board.

The following was presented for Commission consideration: Approve the appointment of Mr. Orvill Swearengin to complete the unexpired term of Mr. Chris Jones.

After discussion, Kathryn Braden made a motion to approve the appointment of Mr. Orvill Swearengin to the Dent SWCD Board of Supervisors. Gary Vandiver seconded the motion. When asked by the chair, Charles Ausfahl, Gary Vandiver, Kathryn Braden and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

## E. REPORTS

### 1. NRCS

Dick Purcell handed out information on the Hispanic and Women Farmers and Ranchers Claims Program.

This process started in 2005 and now is in the claim acceptance portion. There are potentially 13,000 people in Missouri that could make a claim. NRCS is working with Farm Service Agency and Rural Development and have meetings set up in the areas with higher numbers in the state. Claims must be filed between September 24, 2012 and March 25, 2013.

Mr. Purcell stated that Missouri receives 1.6 million to go to failed practices due to the drought.

Overall in 2012 the EQIP obligated \$28 million in contracts.

A State Technical Team meeting was held in August to start planning for 2013.

Enrollment for the easement program was 4,746 acres of Wetland Reserve Program (WRP). Also there was some Wetland Enhancement Program money and that allowed an additional 621 acres and there was a special WRP enhancement with MRBI that had 859 acres. Also there were 340 acres enrolled in Grassland Reserve Program for 2012.

The Emergency Watershed Program provided \$29.4 million for financial assistance to Southeast Missouri.

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Starting October 1, 2012 the Soil Survey Program will be changing their organization. The area Major Land Resource Area (MLRA) offices will now be supervised by regional MLRA offices instead of state soil scientist.

The Field Office of the Future discussions are ongoing at this time.

### **2. MASWCD**

Steve Radcliff presented the MASWCD report.

Mr. Radcliff stated that due to the drought disaster the Area Meetings were cancelled. The Area Meetings will be added on to the agenda for the MASWCD Training conference in November. The training conference will start Sunday evening (November 25, 2012) instead of Monday morning.

This is the third year for the speech contest and the association is looking for volunteers to judge the contest.

The next meeting of the MASWCD will be November 2, 2012.

Mr. Radcliff wanted to thank the Program staff for the work done with the Drought Assistance Program.

Peggy Lemons announced that the Missouri team placed first in the Envirothon this year. Each team member received a \$5,000 scholarship from Canon USA as well as some Canon products. In the oral section of the test the team scored a 196 out of a possible 200 points.

### **3. Department of Conservation**

Tim Banek, Invasive Species Coordinator for the Department of Conservation, presented information on the Spotted Knapweed.

### **4. Department of Agriculture**

Judy Grundler presented the Department of Agriculture report.

Ms. Grundler presented information on invasive species related to the drought, such as fire ants that came to Missouri via hay shipments from Florida. MDA is working with the Missouri Highway Patrol to monitor hay shipments coming in from southern states.

A survey was conducted this year on the Thousand Canker disease of Black Walnut. There was no evidence found in Missouri of this disease.

Additional counties have been added to the quarantine for Emerald Ash Borer. Emerald Ash Borer was only found in Wayne county and now Platte, Clay, Reynolds, Madison, Carter, Iron, Shannon counties have been added.

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A survey on the Pine Shoot Beetle was conducted this year. The survey showed the Pine Shoot Beetle in three counties (Lewis, Macon and Marion) in the northeast portion of Missouri.

Judy Grundler also wanted to thank all the people at DNR that she worked with on the Drought Assistance Program for their cooperative efforts.

### **F. PUBLIC COMMENTS**

Sandy Hutchison addressed the Commission to thank all the Conservation Partners working with the districts on the Drought Assistance Program.

Sandy Hutchison also stated that the Employees Association meeting was postponed until October 11, 2012 and she invited the Commission to the Annual meeting of the Employees Association held at the annual training conference in November.

Dru Buntin updated the Commission that DNR has been working with a number of community drinking water systems that are seeing impacts from the drought. Also staff is working with the Corp of Engineers on some of the impacts to the river systems, specifically the Mississippi river. The Mississippi river has had some restrictions and closures due to the drought.

Overall drought conditions have seen some improvement due to the recent precipitation. Currently Missouri has no areas remaining in exceptional drought, 17 percent remain in extreme drought, 68 percent in severe drought, and 15 percent in moderate drought.

Dru Buntin thanked on behalf of the Department of Natural Resources Director, Sara Parker Pauley, and himself, the Soil and Water Districts Commission, district employees, district boards, conservation partners, and special thanks to the department staff and Department of Agriculture for all the work done on the Drought Assistance Program for the Missouri farmers.

### **I. SUGGESTED DATE(S) OF NEXT MEETING(S)**

The suggested Soil and Water Districts Commission meeting is November 26, 2012, at Tan Tar A, Osage Beach.

### **H. ADJOURNMENT**

Kathryn Braden made a motion to adjourn open session at 12:05 pm. Gary Vandiver seconded the motion. A poll vote was taken. Charles Ausfahl, Kathryn Braden, Gary Vandiver and Richard Fordyce voted in favor of the motion and the motion carried unanimously.

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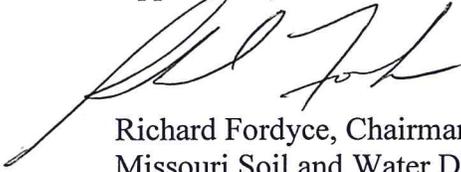
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Respectfully submitted,



Colleen Meredith, Director  
Soil and Water Conservation Program

Approved by:



Richard Fordyce, Chairman  
Missouri Soil and Water Districts Commission

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