

APPROVED

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**Oregon Soil and Water Conservation Commission
Regular Quarterly Meeting
February 5 – 6, 2013
Office of the State Fire Marshal, Mt. Hood Conference Room
4760 Portland Road, NE, Salem, Oregon, 97305**

Tuesday, February 5, 2013

Soil and Water Conservation Commission Members Present

Barbara Boyer, Chair; Tim Kerns, Vice Chair; Gary Jensen; John Morris; Mel Omeg; Marilyn Rice; Jerry Ward

Oregon Department of Agriculture Staff

Ray Jaendl, Natural Resources Policy Area Director; John Byers, Soil and Water Conservation Districts (SWCD) and Ag Water Quality Management (Ag WQ) Program Manager; Manette Simpson, SWCD Program Lead; Eric Nusbaum, Operations Specialist; Heather Rickenbach, Grants Administrative Officer; Judith Callens, Natural Resources Policy Specialist; Sheila Marcoe, Statewide Planning Coordinator; Mike Powers, Compliance and Planning Leader; Theresa DeBardelaben, Regional Water Quality Specialist; Amanda Garzio-Hadzick, Hatfield Fellowship Intern

Advisors

Jan Lee and Jerry Nicolescu, Oregon Association of Conservation Districts (OACD), Meta Loftsgaarden, Oregon Watershed Enhancement Board (OWEB); Bill White, U.S. Department of Agriculture (USDA), Natural Resources Conservation Service (NRCS)

Visitor

Jane Keppinger, Marion SWCD

Call to Order and Introductions

Chair Barbara Boyer called the meeting to order at 1:00 p.m. on February 5, 2013. Introductions were made.

Approval of Minutes

The SWCC reviewed the minutes from the November 7, 2012, SWCC meeting held in Eugene, Oregon. Barbara commented that the SWCC would like to continue receiving meeting minutes soon after SWCC meetings in order to have the follow through that is needed.

Gary Jensen moved and Marilyn Rice seconded the motion to approve the minutes from the November 7, 2012, SWCC regular meeting. The motion carried unanimously.

Natural Resources Policy Area Update

Ray Jaendl provided a brief Natural Resources Policy Area update. He introduced Judith Callens to the SWCC and advisors. Judith is the Natural Resource Policy Specialist and will be working

on policy issues and rules. The Department did not propose major legislation this session. Ray said that ODA is proposing to continue the monitoring package and to continue working with DEQ as the Pesticide Stewardship Partnership is cheaper, faster, and easier for landowners.

Ag Water Quality Management and SWCD Program Update

John Byers gave an update regarding the Union SWCD boundary change. The SWCD is moving ahead to change the district boundary with the Baker Valley SWCD. Union SWCD will have to rezone their district. John gave a brief summary of the Partnership meeting. He is encouraged by the federal partners' support and willingness to work with ODA. John also noted the partners are engaging in similar strategic resource targeting processes.

John said there was a manager shift within the Ag Water Quality Management (Ag WQ) Program. Dave Wilkinson will now focus on the Governor's Enterprise Monitoring cross-agency effort for ODA and John will now be the Ag WQ Program Manager.

John noted that he attended the National Association of Conservation Districts conference in Texas and had good discussions with fellow attendees. He has been invited to present to OWEB's Board on March 12 to discuss the Ag WQ Program, the new scope of work process, and SWCDs and Watershed Councils working together.

SWCD Program Leader Update

Manette Simpson reported that Director Training planning is moving forward and will be held the last week of February and the first week of March. There will be four hours of director training, and an hour and a half for open conversation. The open conversation portion is for the ODA staff to meet with district staff and directors before each training. Eight training locations have been confirmed. Barbara Boyer encouraged the SWCC to attend if possible; they agreed to attend in their areas.

SWCD Concerns Discussion

The SWCC discussed the concerns they had encountered from districts regarding the new compliance process ODA is undertaking. SWCDs do not want to be seen as regulatory, and are waiting to see how the ODA develops the new compliance process. Ray commented that landowners affect land management through conservation practices, and the big picture is to show that agriculture is improving water quality. Further discussion regarding SWCD concerns included natural systems are complex; there is little baseline data so how do you know when work is completed; approaches must be tailored to local area and what is reasonable for local areas; and SWCD and landowner relationships are important.

SWCD Operations Specialist Update

Eric Nusbaum presented the SWCD Program's Strategic Plan. Program staff worked with ODA's Stephanie Page, OACD's Jerry Nicolescu, and SWCC Chair Barbara Boyer to develop the plan. Eric noted it is a working document and meant to be updated annually. He is working on personnel policies with several districts and developing a policy checklist. Eric is also working on Director Training modules and coordinating the Manager Track for the Connect conference. He noted that Mercy Corps will present a time management session at Connect.

Grants Administrative Officer Update

Heather Rickenbach presented a handout of official district elections results. She is tracking that all new directors take the Oath of Office. She noted there was a 15 percent turnover in directors. Heather presented the 1st quarter report summaries and highlighted several results. She is also processing the 2nd quarter reports after they are approved by the Regional Ag WQ Specialists.

ODA Presentations

Sheila Marcoe, ODA AgWQ Program Planning Coordinator, gave a presentation about the AgWQ Management Program. Her discussion outlined the goals of the Area Plans and Rules and the Focus Area strategy to assist in measuring change in watershed approach implementation. Discussion included whether ODA was going to provide the districts assessment methods to use within their Focus Areas and why there is not enough baseline data recorded. Sheila described how implementation activities have been recorded for years and that a tremendous amount of work has been done on the ground but the challenge is to quantify how those changes have improved water quality. Focusing efforts in a geographic area should help in documenting change in an identified timeframe. ODA is requiring districts, through their Scope of Work contract, to identify an area to dedicate 25% of the funding in a Focus Area and report progress in a 2-yr time frame. If Focus Area projects are complete in two years, then a district will move to a watershed. District capacity and other situations can prevent completion in a two-year timeframe. The concept is to use landscape conditions versus water column data to show agriculture's impact to water quality. It is important for the agriculture industry to show appropriate agricultural practices are not negatively impacting water quality. Water quality permitted sources are paying significant costs to improve water quality, and want non-point sources to show they are improving water quality too.

Mike Powers, ODA Ag WQ Compliance and Planning Leader, gave a presentation about the Board of Agriculture's direction to develop an alternative to the complaint-based compliance process. ODA is developing a Strategic Implementation process and also undergoing an enforcement streamlining process. Discussion included how ODA will select properties for site visits. The ODA processes approximately 60 cases a year, so strategic selection is important for organizing staff workloads and including more compliance cases. Some districts rely on their ODA Regional Ag WQ Specialists to point out landowners that need district resources. There is concern that ODA will enter property without permission. Ray stated ODA will always ask for permission. Other concerns include landowners not being allowed to voluntarily make improvements. ODA's process is to work with landowners, point them to partners such as SWCDs, NRCS, or others that can assist and give them an opportunity to improve conditions prior to enforcement. However, compliance is the law. Lack of funding is often an issue for landowners not in compliance with their Area Rules, but ODA points landowners to technical and financial assistance if needed to attain compliance.

Scope of Work Funding Recommendations

The ODA requested the SWCC recommend future SWCD scope of work funding policies. The ODA proposed three policy questions with multiple options.

Question 1: What are the consequences for districts that refuse to implement Focus Area tasks?

Mel Omeg moved and Marilyn Rice seconded the motion for the SWCC to recommend to continue to fund the district-wide scope of work tasks (75%) and fund District Operations and Administrative grants, but discontinue funding for the Focus Area water quality tasks (25%). The motion carried unanimously.

Question 2: What are the consequences for districts that don't complete their Focus Area tasks (25%), and refuse to re-negotiate their Action Plan?

John Morris moved and Tim Kerns seconded the motion as amended that the SWCC recommend to continue to fund but pay for tasks completed. The motion carried unanimously.

Question 3: What are the consequences for districts if they refuse to be the Local Management Agency (LMA) and/or participate in the Biennial Review?

Ray and Sheila clarified that the LMA and the Biennial Review are two separate issues. Legislative notes indicate the funds are to support Senate Bill 1010-Ag WQ Program and the Oregon Plan for Salmon and Watersheds.

Discussion for this question included the Legislative intent per ORS 568.906 for SWCDs to be the LMA; however, it is not required. If the SWCD accepts the funds, then it is implied that they are accepting the responsibility to be a LMA. If they are not the LMA, then they would not be eligible for any funds and the question is moot.

If a SWCD refuses to participate and complete activities related to the Biennial Review, then the contract would be reduced by the amount that was allocated to the Biennial Review task. This would be negotiated on an individual District basis, if and when it occurs.

If there is a SWCD that is having difficulties completing the Biennial Review task, the SWCC would send a letter to the District board outlining the importance of the SWCD's participation, and encourage the SWCD's involvement in the process and for the task to be completed.

No motion was made.

Proposal to Combine Grant Funds

Heather requested the SWCC recommend combining the Administrative fund and the District Operations fund into one fund. The combined fund will be referred to as the District Operations fund. She also requested SWCDs be required to submit an expense report for the fund as part of the normal reporting requirements. The District Operations fund would support the basic requirements outline in statute including the annual meeting, audit, annual report, board meetings, etc. The District Operations fund would also support SWCD annual work plan activities that qualify for Measure 76 funds.

Tim Kerns moved and Jerry Ward seconded the motion for the SWCC to recommend combining the Administrative Grant and the District Operations Grant into one grant fund called the District Operations fund and an estimated budget and an Expense Report will be required. The motion carried unanimously.

Public Comment

There was no public comment.

Chair Boyer recessed the meeting at 4:45 p.m. to reconvene on Wednesday, February 6, 2013, at 8:30 a.m.

Wednesday, February 6

Soil and Water Conservation Commission Members Present

Barbara Boyer, Chair; Tim Kerns, Vice Chair; Gary Jensen; John Morris; Marilyn Rice; Jerry Ward

Oregon Department of Agriculture Staff

John Byers, Soil and Water Conservation Districts (SWCD) and Ag Water Quality Management (Ag WQ) Program Manager; Manette Simpson, SWCD Program Lead; Eric Nusbaum, Operations Specialist; Heather Rickenbach, Grants Administrative Officer; Theresa DeBardelaben, Regional Ag WQ Specialist

Advisors

Jeremy Baker, Oregon Conservation Education and Assistance Network (OCEAN); Jerry Nicolescu, Oregon Association of Conservation Districts (OACD); Meta Loftsgaarden, Oregon Watershed Enhancement Board (OWEB); Lois Loop, U.S. Department of Agriculture (USDA), Farm Service Agency (FSA)

Visitors

Jane Keppinger, Marion SWCD; Beth Goodreau, OWEB

Call to Order and Introductions

Chair Barbara Boyer reconvened the meeting at 8:30 a.m. on February 6, 2013. Introductions were made.

SWCC Strategic Plan Review and Update

Barbara Boyer requested the SWCC revise their Strategic Plan. She noted the plan has very broad goals, including goals outside the SWCC's purview. After discussion, the SWCC agreed the SWCC Strategic Plan should be more focused on primary goals. Barbara also suggested each SWCC member review the Strategic Plan, chose their three priority goals, and come to the next meeting prepared to discuss in a work session. Manette Simpson will invite Stephanie Paige from ODA to facilitate the discussion.

SWCC Member Reports

John Morris – The Wheeler SWCD is concerned about legislative proposal to meter and tax spring and well water. John B. will ask Judith to track this issue. John would like ODA to update the SWCC on Ag related proposed bills.

Tim Kerns – Preliminary discussions for combining Baker Valley, Eagle Valley, and Keating SWCDs have been ongoing. Currently there is no support for merging districts. There was a

good turn out for their January Annual Meeting which raised funds for the Field to Fork school program.

Barbara Boyer – The Lincoln SWCD will wait until 2014 before proposing a tax base ballot measure. The Yamhill SWCD is developing a backyard outreach program for urban landowners and will sell their one millionth tree at next plant sale. Yamhill was awarded a Conservation Innovation Grant for recycling vineyard spray. She attended the Special Districts Association of Oregon conference which she reported was very educational.

Jerry Ward – The West Multnomah SWCD expressed concern about budget cuts to the Oregon State University Extension Master Gardener program because they use the program. West Multnomah is also concerned about canola in the District, especially on Sauvie Island. The Tillamook SWCD is quite proud of their new tax base. The Clatsop SWCD is concerned about funding for administration support. Clatsop, West Multnomah, and Tualatin SWCDs are concerned about noxious weeds and are implementing weed programs.

Gary Jensen – The Upper Willamette SWCD is concerned about Environmental Quality Incentive Program (EQIP) projects and NRCS funding. Upper Willamette SWCD is also working with the Eugene Water and Electric Board on Forest-to-Faucet projects. Projects include landowner outreach and restoration. Upper Willamette Conservation Reserve Enhancement Program (CREP) partnership is continuing. The Upper Willamette SWCD's Annual Meeting was held in January.

Marilyn Rice – Over half of the farm land in Jackson County is owned by landowners with 20 acres or less and small acreage landownership is increasing. Jackson SWCD is developing outreach, working on weed projects, and with irrigation districts, and is buying a building. The Lakeview SWCD is working with young people. She reported that all of the districts in her area have used Special Districts Association of Oregon as a resource for various issues.

SWCD Funding Distribution Proposal

Heather provided a handout and presented the distribution amounts for the 2013-2015 SWCD Support Grants. OWEB is expecting to allocate a total of \$6.1 million to the SWCD Support Grants. The proposal is to follow the same distribution formulas as in the past, which is to split the total funds equally among all SWCDs except for the four SWCDs in Baker County. The amount for the 2013-2015 biennium for each SWCD would be \$100,000 for the scope of work, and \$41,860 for District Operations.

The SWCC discussed the funding distribution proposal, and the scope of work format as presented the previous day.

Jerry Ward moved and Marilyn Rice seconded the motion to recommend the Department continue using the same distribution formula to split total funds available equally among all SWCDs except for the four Baker County SWCDs. The Baker County SWCDs would receive two allocations to be split between the four SWCDs. The motion carried unanimously.

Marilyn Rice moved and John Morris seconded the motion to recommend the Department continue with the 75/25 percent scope of work funding concept as introduced to the SWCC, with the understanding that minor changes may be made to the final form before distribution to SWCDs. The motion carried unanimously.

Advisor Reports

Oregon Watershed Enhancement Board (OWEB)

Meta Loftsgaarden reminded the SWCC that the next OWEB Board meeting will be March 12 and March 13. The OWEB Board would like to have the SWCC participate in their meetings. This is an opportunity for the Board to hear about the SWCD Program. The long-term investment strategies will be considered by the Board at their June meeting. The Board is signaling they want to increase investment in focused investments over time. There is CREP training next week with 47 west side and 28 east side participants. Staff will propose to the Board that CREP funding be continued. The Acquisitions program completed revisions to its program.

Bev Goodreau provided a Small Grant Program overview, including a handout. There are 28 teams with members from SWCDs, watershed councils, and tribes. \$2.8 million per biennium is awarded in grants up to a maximum of \$10,000 for each grant. Each team develops their own evaluation process and OWEB has final approval.

Oregon Association of Conservation Districts (OACD)

Jerry Nicolescu reported he will be recruiting for a new support staff as his former assistant has resigned. The OACD Annual Meeting and Conference will be held at the Newport Agate Beach Best Western on November 6–8. The OACD Board would like to hold another joint SWCC and OACD meeting as the Board felt the first joint meeting was beneficial. The Network of Watershed Councils will be hiring a new executive director.

Jerry presented a summary of proposed bills that OACD is tracking in the state legislature that impact districts and natural resource conservation. Jerry also wanted to thank ODA for recognizing OACD as Cooperator of the Year.

Oregon Conservation Education and Assistance Network (OCEAN)

Jeremy Baker noted the Connect conference will be April 24th – 26th at the Spirit Mountain Events Center and expressed concern that cost for the conference is a challenge. Jeremy requested OCEAN's organizational purpose be included in the meeting minutes.

The specific purpose of the corporation shall be:

- A. To strengthen the Conservation District programs of Oregon.
- B. To provide assistance, information and training to local conservation districts, their governing Boards and their employees.
- C. To assist any agency, Association, organization, municipality, group or individual who supports the Soil and Water Conservation Districts of Oregon in the spirit of cooperation and sound conservation.
- D. To promote charitable and educational purposes designed to further the principles of soil conservation and stewardship, water conservation and energy conservation.

- E. To provide, conduct, and sponsor programs to aid individuals, groups, organizations governmental bodies, Associations, and all entities engaged in natural resource conservation; including for all such purposes in the making of distributions to organizations under Section 501(c)(3) of the Internal Revenue Code or the corresponding provisions of any future United States Internal Revenue Law.
- F. The organization is organized exclusively for charitable and/or educational purposes as defined under section 501(c)(3) of the Internal Revenue Code.

Jeremy mentioned Ocean's webpage had been updated. Their web address is www.oceanconnect.org. He will work with ODA to keep the district contact list updated.

Farm Service Agency (FSA)

Lois Loop's update included that the Farm Bill will be extended. The milk income loss payment program will be extended. There will be a new micro loan (smaller startup loan) program that is a good option for beginning farmers and organic producers. The Conservation Reserve Program (CRP) and CREP will be funded and extended. CREP is required to move to a web-based tracking and reporting system. Federal agencies are concerned about sequestration. FSA is implementing a hiring freeze, travel restrictions, and other budget restrictions. The devastating 2012 wildfire season damaged fences in many eastern Oregon counties. Funding for Harney, Lake, and Malheur counties is at 47 percent of what is needed.

Follow-up assignments

- The Commissioners will attend Director Training in their regions:
 - Tim Kerns, February 26 in Baker City.
 - John Morris, February 27 in Pendleton.
 - Mel Omeg, February 28 in Madras.
 - Marilyn Rice, March 5 in Lakeview and March 6 in Grants Pass.
 - Gary Jensen, March 7 in Eugene.
 - Jerry Ward, March 14 in Salem.
 - Barbara Boyer, March 16 in Yachats.
- Commissioners will review and choose three priority Strategic Plan Goals to discuss at the April meeting.

Meeting dates and locations for 2013

All meetings are scheduled to convene in Salem.

- April 11 and 12 – afternoon and morning meeting sessions with a Strategic Plan work session to be determined.
- July 30 and 31 – afternoon and morning meeting sessions.
- November – in conjunction with the OACD Annual Meeting and Conference with the date to be determined.

Chair Barbara Boyer adjourned the meeting at 11:35 a.m.