



Idaho Soil & Water Conservation Commission

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IDAHO SOIL & WATER CONSERVATION COMMISSION SPECIAL MEETING & TELECONFERENCE

Date and Time:

Tuesday, November 17, 2015
7:00 am – 8:21 a.m. MT

Location:

The Riverside Hotel, Clearwater room
2900 Chinden Blvd
Boise, Idaho

APPROVED MINUTES

COMMISSION MEMBERS PRESENT:

Norman Wright (Chair)

Leon Slichter (Secretary)

Glen Gier

Gerald Trebesch (Vice-Chair)

David Radford

COMMISSION STAFF PRESENT:

Teri Murrison

Delwyne Trefz

Terry Hoebelheinrich

Carolyn Watts

PARTNERS AND GUESTS PRESENT:

- 1 Mark Cecchini-Beaver, Office of the Attorney General
- 2 Roy Prescott, Northside SWD
- 3 Lisa Transtrum, Bear Lake SWCD
- 4 Kevin Koester, Portneuf SWCD
- 5 Chris Banks, Conservation Basics LLC
- 6 John Lau, Caribou SCD
- 7 Chris Simmons, Balanced Rock, Twin Falls, North Side districts
- 8 Kirk Chandler, Weiser River SCD
- 9 Garth Boehme, Bear Lake SWCD
- 10 Tom Daniel, Boundary County SCD
- 11 Lynn Bagley IASCS
- 12 Dale Nichols, Nez Perce SCD
- 13 Art Beal, IASCD
- 14 Kay Billington, Wood River SCD
- 15 Herman Collins, Bonner SWCD
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ITEM #1: WELCOME AND ROLL CALL

- 18 Chairman Wright called the meeting to order at 9:01 a.m.
- 19

20 Roll call: Chairman Norman Wright, Commissioners Gerald Trebesch, Leon Slichter, David
21 Radford and Glen Gier were present.

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23 **ITEM #2: AGENDA REIVEW**

24 Action: None taken

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26 **ITEM #3: LISTENING SESSION:**

27 Deputy Attorney General Mark Cecchini-Beaver presented the results of his legal research
28 regarding whether the Commission has legal authority to make loans from the RCRDP fund at
29 zero percent interest. Based on an analysis of the statutory language, structure, purpose, and
30 history, his opinion is that the governing statutes do not authorize the Commission to make
31 zero-interest loans from the RCRDP fund. In response to a question from Kevin Koester about
32 whether very low interest loans would be permissible, he further stated that two statutory
33 limitations apply to the Commission's decisions on interest rates for RCRDP loans. First, some
34 interest, up to six percent, must be charged. Second, the interest and other fund income must
35 be sufficient to keep the fund revolving—that is, to cover administration costs without reducing
36 the principal available for the loans. He stated that, subject to those limitations, the amount of
37 interest to be loaned is a policy question for the Commissioners.

38

39 The following additional questions were asked and comments were made by participants
40 concerning the RCRDP Loan Program:

- 41 • Kirk Chandler – Back in 1985, we were paying 18-21% for farm loans, and the general
42 interest rate was 18%. A maximum 6% was nothing. Rates are lower now, but 5% is still
43 a great rate. We would like to see this available for young farmers or ranchers. Could
44 the resolution say that the interest rate should be ½-1%?
- 45 • Commissioner Radford – Kirk, on the revolving side of it, how do you believe that should
46 self-sustain it, if 1% doesn't meet the threshold for revolving?
- 47 • Kirk Chandler – That would be a question we would have to address. If the original
48 loans were paid back, then that would pay back the fund, and 1% would be better than
49 nothing.
- 50 • Terry Hoebelheinrich - Current RCRDP rates are 2½ % - 3½ %. Most borrowers select a 7
51 year term. The Commission currently already loans to beginning farmers and ranchers –
52 6 loans to beginning farmers in the past several years. There may be more because we
53 don't track how long they have been farming. Loans compete with other programs such
54 as EQIP contracts, and FSA programs at the same rate. Borrowers must also qualify for
55 loans, regardless of interest rate. The project must qualify by providing conservation
56 benefits, there are credit things to look at, and collateral.
- 57 • Commissioner Slichter – Using the term “beginning” farmers and ranchers could cause a
58 problem, as there have been farm/ranch purchases by large corporations looking for
59 investment opportunities, and they have deep pockets. While new to farming or
60 ranching, these corporations could conceivably consume a large portion of loan funds.
61 How should this be addressed?

- 62 • Kevin Koester – 6 loans to beginning farmers in what period of time? Would need to
63 define “beginning” farmer and rancher, for example, less than 10 years in the business.
64 How do we provide a means to help beginning farmers and ranchers put conservation
65 on the land? Need to provide an incentive. Loan at a lower rate for a first loan, then
66 they can borrow at the standard rate on subsequent loans, for example. We need to
67 look at the bigger picture.
- 68 • Kirk Chandler – Beginning farmers and ranchers often can’t put up 50% collateral. Can
69 we adjust that, or change the loan requirements?
- 70 • Commissioner Slichter – Agriculture is aging. It seems like fewer young people are
71 getting into farming.
- 72 • Commissioner Radford – The idea of having beginning farmers and ranchers coming
73 back for more loans over the years. First loan at a lower rate, then subsequent ones at
74 the regular rate.
- 75 • Kevin Koester – This would work well. Collateral is the issue. Could it be lowered to
76 25% or 30% instead of 50%?
- 77 • Kirk Chandler – Could age be used instead of experience as a requirement? “Young”
78 famer/rancher?
- 79 • Art Beal – Can we legally ask their age, or would it be considered discrimination? What
80 if a beginning farmer was a retiree? Don’t want to limit new farmers.
- 81 • Lisa Transtrum – Any step we can take is advantageous. Young people can’t get a start
82 without help.
- 83 • Chris Banks – Our young people do not expect anything for free. I appreciate Mr.
84 Koester’s efforts on the behalf of young farmers and ranchers. Thank you for
85 considering it.
- 86 • Kevin Koester – This will help you loan more. Even if the resolution isn’t passed,
87 consider what can be done.
- 88

89 Lisa Transtrum, Bear Lake SWCD, and Chris Banks, Conservation Basics LLC gave a Power Point
90 presentation about Idaho Envirothon, and Idaho’s bid to host the 2018 National/International
91 competition.

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93 Action: None taken

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95 **ITEM #4: ADJOURN**

96 The meeting was adjourned at 8:21 a.m. The next Special Meeting will be a Joint Commission
97 and Idaho Association of Soil Conservation Districts Board meeting at the Safari Hotel, on
98 January 25, 2016, at 3:00 p.m. MT in Boise. The next regular meeting is scheduled for January,
99 2016 in Boise. Date and time are yet to be determined.

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101 Respectfully submitted,

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104 Leon Slichter, Secretary