



# Idaho Soil & Water Conservation Commission

650 W. State St., Room 145 • Boise Idaho 83720

Telephone: 208-332-1790 • Fax: 208-332-1799

www.swc.idaho.gov

## Item #4

### IDAHO SOIL & WATER CONSERVATION COMMISSION PUBLIC MEETING & TELECONFERENCE

**Date and Time:**

Tuesday, February 19, 2013

From 2:00 – 6:00 pm MST

**Location:**

Idaho Soil and Water Conservation Commission

650 W. State Street, Room B09

Boise, Idaho

#### DRAFT MINUTES

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**COMMISSION MEMBERS PRESENT:**

Dick Bronson  
Norman Wright

Roger Stutzman

**COMMISSION MEMBERS PRESENT via teleconference:**

Dave Radford

**COMMISSION STAFF PRESENT:**

Teri Murrison  
Delwyne Trefz  
Cheryl Wilson

Pam Johansen  
Terry Hoebelheinrich  
Jan Webster

**PARTNERS AND GUESTS PRESENT:**

Bret Rumbeck, IASCD  
Jeff Burwell, NRCS  
Douglas R. Jones, Integrated Watershed Solutions

Tony Bennett, ARB Consulting  
Harriet Hensley, Office of the Attorney General

**PARTNERS AND GUESTS PRESENT via teleconference:**

Chuck Pentzer, SWCC  
Carolyn Firth, SWCC

Bill Lillibridge, SWCC  
John Homan, Office of the Attorney General

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1 **ITEM #1: WELCOME AND ROLL CALL**

2 Chairman Bronson called the meeting to order at 2:00 pm. Roll call: Commissioners Dick Bronson,  
3 Norman Wright, and Roger Stutzman were present. Commissioner Radford participated via  
4 teleconference.

5

6 **ITEM #2: REVIEW AGENDA**

7 Item 10 was moved for consideration after Item #12. No items were added.

8

9



February 19, 2013 DRAFT MINUTES

10 **ITEM #3: PARTNERS REPORT**

11 Action: For information only

12

13 **ITEM #4: MINUTES**

14 Action: Commissioner Stutzman moved to approve the November and December minutes.

15 Commissioner Wright seconded the motion. Motion carried by unanimous vote.

16

17 **ITEM #5: FINANCIAL REPORTS**

18 Action: Commissioner Radford moved to approve the December and January financial reports.

19 Commissioner Wright seconded the motion. Motion carried by unanimous vote.

20

21 **ITEM #6: ADMINISTRATORS REPORT**

22 Action: For information only

23

24 **ITEM #7: KEY SERVICES/PROGRAMS WORK PLAN**

25 Action: For information only

26

27 **ITEM #8: BOISE RIVER NUTRIENT TRADING PROJECT UPDATE**

28 Action: For information only

29

30 **ITEM #9: RCRDP LOAN PROGRAM UPDATE**

31 Action: Commissioner Wright moved to approve the RCRDP financial statement. Commissioner Radford

32 seconded the motion. Motion carried by unanimous vote.

33

34 **ITEM #11: OTHER BUSINESS**

35 There was no other business to discuss.

36

37 **ITEM #12: COMMISSIONER ORAL REPORTS**

38 Action: For information only

39

40 **ITEM #10: EXECUTIVE SESSION**

41 Action: Commissioner Wright moved to enter into executive session pursuant to Idaho Code § 67-

42 2345(d) for the purpose of considering pending RCRDP loan business. Commissioner Stutzman

43 seconded. Roll call vote was taken with Chairman Bronson, Commissioner Stutzman and Commissioner

44 Wright in attendance.

45

46 Executive Session commenced at 5:35 pm. Ms. Murrison, Mr. Hoebelheinrich, Ms. Webster, Ms. Wright

47 and Ms. Johansen were invited to stay. Executive session ended at 6:00 pm.

48

49 **ITEM #13: ADJOURN**

50 The Regular Meeting reconvened at 6:01 pm. There was no action to report from Executive Session and

51 the meeting was adjourned at 6:02 pm. The next Commission meeting will be held on Thursday,

52 March 21, 2013. Time and place will be determined at a later date.

53

54



February 19, 2013 DRAFT MINUTES

55  
56 Respectfully submitted,  
57  
58  
59  
60 Roger Stutzman, Secretary

DRAFT

**SWC REPORT SUMMARY AS OF February 28, 2013**

**Item #5**

GENERAL FUND	PERSONNEL			OPERATING			CAPITAL OUTLAY			TRUSTEE & BENEFITS			CASH			
	BUDGET	EXPENSE thru End of Current Month	BALANCE	BUDGET	EXPENSE Thru End of Current Month	BALANCE	BUDGET	EXPENSE Thru End of Current Month	BALANCE	BUDGET	EXPENSE Thru End of Current Month	BALANCE	BEG CASH AT 7/1/12	PLUS TOTAL REC TO DATE	LESS TOTAL EXP TO DATE	CASH BALANCE End of Current
FY13																
INDEX																
7101 MANAGEMENT ADMINISTRATION	274,000	210,972	63,028	28,729	12,897	15,832						302,729	678	223,868	79,539	
7111 MANAGEMENT BOARD	2,000	2,853	(853)	6,600	6,000	600		0		0	0	8,600	0	8,853	(253)	
7201 ADMIN & FIELD STAFF	390,000	254,025	135,975	149,338	127,522	21,816	16,146	16,146		0	0	555,484	0	397,693	157,791	
7301 PROGRAMS	197,700	125,630	72,070	2,750	818	1,932				0	0	200,450	0	126,448	74,002	
7310 DISTRICT ALLOCATIONS			0			0				0	0	1,053,200	0	1,053,200	0	
7320 DISTRICT CAPACITY BUILDING	0		0			0				0	0	50,000	0	49,998	2	
7350 CREP	130,000	49,587	80,413	22,083	3,726	18,357				0	0	152,083	0	53,313	98,770	
<b>TOTAL GENERAL FUND 0001</b>	<b>993,700</b>	<b>643,066</b>	<b>350,634</b>	<b>209,500</b>	<b>150,962</b>	<b>58,538</b>	<b>16,146</b>	<b>16,146</b>	<b>0</b>	<b>1,103,200</b>	<b>1,103,198</b>	<b>2</b>	<b>2,322,546</b>	<b>678</b>	<b>1,913,372</b>	<b>409,852</b>
			64.71%			72.06%						100.00%				82.38%
7315 SWC TECH ASSISTANCE	0	0	0	80,000	10,522	69,478	0	0	0	0	0	0	60,000	10,522	49,478	
<b>TOTAL FUND 0348</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80,000</b>	<b>10,522</b>	<b>69,478</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60,000</b>	<b>10,522</b>	<b>49,478</b>	
7325 SWC PROFESSIONAL SERVICES	0	0	0	20,000	685	19,315	2,599	2,599	0	0	0	4,314	6,694	3,284	7,724	
<b>TOTAL FUND 0450</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>685</b>	<b>19,315</b>	<b>2,599</b>	<b>2,599</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,314</b>	<b>6,694</b>	<b>3,284</b>	<b>7,724</b>	
						3.43%										76.13%
DEDICATED FUND	PERSONNEL			OPERATING			CAPITAL OUTLAY			CASH						
FY13	BUDGET	EXPENSE thru End of Current Month	BALANCE	BUDGET	EXPENSE Thru End of Current Month	BALANCE	BUDGET	EXPENSE Thru End of Current Month	BALANCE	BEG CASH AT 7/1/12	PLUS TOTAL REC TO DATE	LESS TOTAL EXP TO DATE	CASH BALANCE End of Current			
7351 RCRDP LOAN ADMINISTRATION	144,100	70,740	73,360	146,000	60,565	85,435	0	0	0	4,443,506	1,059,882	131,305	5,372,084			
<b>TOTAL RCRDP ADMIN 0522-01</b>	<b>144,100</b>	<b>70,740</b>	<b>73,360</b>	<b>146,000</b>	<b>60,565</b>	<b>85,435</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,443,506</b>	<b>1,059,882</b>	<b>131,305</b>	<b>5,372,084</b>			
			49.09%			41.48%										
7361 REVOLVING LOAN - DEQ	0	0	0	30,000	0	30,000	0	0	0	16,228	147,354	134,693	28,888			
<b>TOTAL DEQ LOAN 0529-16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,228</b>	<b>147,354</b>	<b>134,693</b>	<b>28,888</b>			
						0.00%										



# Idaho Association of Soil Conservation Districts

Item #6

February 22, 2013

Ms. Teri Murrison  
Idaho Soil and Water Conservation Commission  
650 W. State Street  
Room 145  
Boise, ID 83702

RECEIVED  
MAR 6 4 1013  
IDAHO SOIL & WATER  
CONSERVATION COMMISSION

Dear Ms. Murrison,

The Idaho Association of Soil Conservation Districts (IASCD) is preparing this year's Envirothon, a statewide natural resource competition open to high school students. Unlike other environmental programs, Envirothon promotes the balanced use of natural resources, sustainable agriculture, water quality, the need for working rivers, and the right to farm. We are seeking your financial support for this year's program.

Your contribution will go a long way in sponsoring this challenging, educational event. The 2012 event hosted 19 teams and their advisors from around the state. Teams competed for the opportunity to represent Idaho at the International Canon Envirothon in Selinsgrove, Pennsylvania. Our winning team was from Gooding High School, Team B. This year's international competition, celebrating the 26th anniversary of the program, will be held in Bozeman, Montana from August 4<sup>th</sup> through the 9<sup>th</sup> at Montana State University.

All funds solicited by IASCD are used to purchase necessary supplies, cover food/lodging costs at the Living Waters Ranch, and to send the winning team to the international competition. We are hoping to raise funds to assist schools with transportation costs, since school participation is limited due to a lack of funds for transportation to and from the facility located in Challis. Finally, we would like to raise funds to create a video of this year's state competition. All money raised goes directly to pay for Envirothon costs; IASCD does not use a single dime for salaries, personnel costs, or any other IASCD expense.

In addition to Envirothon's primary areas of focus – soils/land use, aquatics, forestry, and wildlife – the students will focus on the 2013 current issue: "Sustainable Rangeland Management: Achieving a Balance Between Traditional Agricultural Uses With Non Ag Uses on Montana Rangeland." If you have not seen an Envirothon competition in action, we invite you to be our guest at this year's event taking place on May 6th and May 7th. We believe you would find the competition rewarding.

Any contribution is welcome, and your donation for the 2013 program is 100% tax deductible. Should you have any questions, please feel free to contact us, and thank you very much for your consideration

Sincerely,

Kit Tillotson  
IASCD President

Bret Rumbeck  
IASCD Executive Director



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## ITEM #6

**TO: CHAIRMAN BRONSON AND COMMISSIONERS RADFORD, STUTZMAN, WRIGHT, AND TREBESCH**  
**FROM: TERI MURRISON, ADMINISTRATOR**  
**DATE: APRIL 11, 2013**  
**RE: ADMINISTRATOR'S REPORT**

### **District Request for Assistance With Payroll, Audits**

On April 2, 2013, Chairman Bronson received an email from Gina Millard, Owyhee Conservation District, asking if the Commission's loan officers could do payroll for the districts as well as audits or reviews. Based upon legal counsel's research, the Commission does not have the statutory authority to assist districts in this manner. Deputy Attorney General, Harriet Hensley will provide further briefing and be available for questions.

### **IASCD Envirothon Request for Donation**

Attached is a copy of the annual request for donation received from the Idaho Association of Soil Conservation Districts. Last year (and traditionally) the SWCC donated \$1,500 and staff recommends the same donation this year. In addition, Steven Smith and Allan Johnson have volunteered to attend on our behalf.

### **SWCC Annual Audit**

I met recently with the Legislative Services Audit staff to discuss the upcoming Commission audit which will commence in May. Although last year's LSO Audit supervisor had advised us that it was not necessary, further research caused the department to reverse that finding and now the Commission will undergo an annual audit conducted by the LSO Audit Dept.'s staff. This will save us many thousands of dollars, although there may be several thousand dollars in direct charges added to next year's budget since SWCAP formulations lag several years behind the actual delivery of services to the Commission. The good news is that the following years' charges will be part of the annual SWCAP charges that are automatically added to our budget request and appropriation.

**ACTION:** Approve partial sponsorship of \$1,500 to IASCD to go toward the FY 2013 Envirothon and donate two staff members' time and travel expenses to attend and assist IASCD.

**Attachment:** IASCD Letter Requesting Envirothon Donation



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## ITEM #7

**TO: CHAIRMAN BRONSON AND COMMISSIONERS RADFORD, STUTZMAN, WRIGHT, AND TREBESCH**  
**FROM: DELWYNE TREFZ, DISTRICT SUPPORT SERVICES SPECIALIST**  
**DATE: APRIL 11, 2013**  
**RE: DISTRICT SUPPORT SERVICES UPDATE**

### Technical Assistance Request Process

#### **DISTRICT REQUESTS FOR FY 2014 SWCC ASSISTANCE**

Number of districts requesting SWCC assistance	38
Number of individual projects districts request help with	119
Requested SWCC staff hours, total statewide	12,909
Available SWCC staff hours, total statewide	11,520
Available Hrs less Requested Hrs	<b>-1,389</b>

Requests for assistance will be reviewed by staff and distributed to the regional evaluation committees by April 11. Regional evaluation committees will prioritize requests received from districts within their division and provide to SWCC a list of the ranked requests by May 1. SWCC staff will allocate the available FY 2014 staff time to districts in accordance with the regional evaluation committee's rankings.

#### **District Survey to be Circulated**

Staff are preparing the FY 2013 district survey incorporating some revisions to make survey results more informative and useful. Surveys will go out to districts in April and completed surveys will be due back to the SWCC before the end of July.

#### **District Budget Hearing**

The district budget hearing for FY 2015 will be conducted during the May SWCC meeting. Districts have been provided with a worksheet on which they are to provide information relative to the 3 highest priority projects or programs which they would like to implement to address water quality in §303(d)-listed waters within their district. Budget requests are due to the Commission no later than April 24.

**RECOMMENDED ACTION:** For information only

## RCRDP - FEBRUARY 2013

	As of 02/28/13	YEAR TO DATE (As of 7/1/12)
<b>BEGINNING CASH BALANCE</b>	\$ 5,247,711.46	\$ 4,443,506.48
<b>Interest Received</b>		
	February 2013	Fiscal Year 2013 thru February, 2013
- 2515 Interest Income:	\$ 1,085.60	\$ 16,525.90
- 2523 Loan Interest:	\$ 27,817.83	\$ 169,213.02
- 2535 Default Interest: (late fees)	\$ 573.08	\$ 2,655.00
Principal payments received	\$ 115,992.55	\$ 1,046,791.27
Suspense cleared	\$ -	\$ (14,170.99)
Professional Services refund		\$ 349.08
Loan Refunds	\$ 266.81	\$ 2,057.25
<b>TOTAL INCREASES</b>	<b>145,735.87</b>	<b>1,223,420.53</b>
<b>ADJUSTED CASH BALANCE</b>	<b>\$ 5,393,447.33</b>	<b>5,666,927.01</b>
<b>Decrease of Funds</b>		
1) Personnel costs	\$ (15,340.26)	\$ (70,739.55)
2) Operating Expense (less P-Card liability)	\$ (5,306.08)	\$ (60,115.02)
3) State Holdback	\$ -	
4) Loan Disbursements	\$ -	\$ (175,652.00)
5) Capital Outlay		
6) Suspense cleared		\$ 14,170.99
6) Refund of Revenue		
7) Refund from loan Payments	\$ (266.81)	\$ (2,057.25)
<b>TOTAL DECREASES</b>	<b>(20,913.15)</b>	<b>(294,392.83)</b>
<b>ENDING CASH BALANCE as of 02/28/2013</b>	<b>\$ 5,372,534.18</b>	<b>\$ 5,372,534.18</b>
Cash as of 02/28/2013		\$ 5,372,534.18
3% Minimum Contingency Reserve		\$ (144,928.92)
Funds Approved - Not Disbursed		\$ 46,762.47
<b>FUNDS AVAILABLE TO LOAN</b>		<b>\$ 5,274,367.73</b>
Pending Approval		\$ -
Funds Available		\$ 5,274,367.73
<b>LOAN STATUS REPORT:</b>		
Outstanding Principal Loan Balance beginning 01/31/2013		\$ 4,946,956.71
Disbursements during February 2013		\$ -
Principal payments made during February 2013		\$ (115,992.55)
Adjustments to STARS balance		\$ -
<b>ADJUSTED PRINCIPAL LOAN BALANCE as of 02/28/2013</b>		<b>\$ 4,830,964.16</b>
Previous report number of active loans	129	
New Loans	0	
Loans Paid Off	-2	
Current Month number of active loans	127	
Past Due Accounts	5	



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## Item 8

**TO: CHAIRMAN BRONSON, COMMISSIONERS STUTZMAN, RADFORD, WRIGHT, AND TREBESCH**

**FROM: TERRY HOEBELHEINRICH, LOAN OFFICER**

**DATE: APRIL 11, 2013**

**RE: RESOURCE CONSERVATION AND RANGELAND DEVELOPMENT PROGRAM UPDATE**

Since your last meeting, the following activities have conducted by staff:

Marketing	<ul style="list-style-type: none"><li>• Promoted the RCRDP at the Division 4 Spring meeting in Fairfield on March 12</li></ul>
District Incentives Proposal	<ul style="list-style-type: none"><li>• Reviewed incentive proposal options with Loan Committee</li><li>• Loan Committee requested additional research before convening ad hoc incentive committee, likely in April</li></ul>
RCRDP Financial Report	<ul style="list-style-type: none"><li>• February 2013 report (attached)</li></ul>
New Loan Activity	<ul style="list-style-type: none"><li>• Two applications have been denied</li><li>• One application withdrew for lack of collateral</li><li>• One \$20,000 application is in process</li><li>• 9 loan inquiries have been received since last update</li><li>• More inquiries/applications are expected with EQIP contracts awarded by 4-30-13</li></ul>
Loan Servicing	<ul style="list-style-type: none"><li>• Several partial releases of mortgages have been received and reviewed</li><li>• One request to assume a mortgage has been received and reviewed</li></ul>
Delinquencies	<ul style="list-style-type: none"><li>• 3 delinquencies, with details to be provided in executive session</li></ul>

**ACTION:** For information only.

Attachment:

- RCRDP Financial Report February 2013



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## Item 9

**TO: CHAIRMAN BRONSON, COMMISSIONERS STUTZMAN, RADFORD, WRIGHT, AND TREBESCH**

**FROM: TERRY HOEBELHEINRICH, LOAN OFFICER**

**DATE: APRIL 11, 2013**

**RE: PROPOSED RCRDP POLICY GUIDELINES FOR SECOND MORTGAGES**

During the April 1, 2013 Loan Committee meeting, members discussed how loan applications are frequently limited by RCRDP collateral policy, specifically second mortgages.

The Loan Committee recommended staff develop guidelines for the Commission's consideration of the use of second mortgages in the RCRDP. The following Guidelines have been drafted and are presented for your review and comment. They will assist in the evaluation of loan applications offering a second mortgage.

Current Policy	<ul style="list-style-type: none"><li>• A second mortgage on real property may be utilized at the discretion of the Commission</li><li>• Total debt on pledged real property will not exceed seventy percent (70%) of the current market value of the collateral</li></ul>
Proposed Guidelines	<p>The Commission <u>may</u> consider the following factors when reviewing a loan application with a second mortgage.</p> <ul style="list-style-type: none"><li>• Additional collateral such as chattels with first lien position or purchase money security interest</li><li>• Written verification of first mortgage balance and terms</li><li>• Real estate property with broad appeal and good marketability</li><li>• High credit scores, generally 750 or higher</li><li>• Strong cash flow, good margins after debt service, usually 20% or more.</li><li>• Low to moderate debt loads<ul style="list-style-type: none"><li>• Strong working capital</li><li>• 2:1 or more current ratio</li><li>• 50% or less total debt to asset</li></ul></li></ul>

**RECOMMENDED ACTION:** Review and comment