

JOINT MEETING MINUTES

Kentucky Soil and Water Conservation Commission

And

Kentucky Association of Conservation Districts

Friday January 17, 2020 – 9:00 AM

In attendance for SWCC: Mr. Jeff Rice, SWCC Vice-Chair; Mr. Danny Shipley; Mr. Sam Hughes; Ms. Denise Hoffman; Mr. Bill Harned; and Mr. Jim Morris.

In attendance for KACD: Mr. Shane Wells, President; Mr. Allan Bryant, Vice President; Mr. Steve Coleman; Mr. Ted Jessup, Treasurer; Mr. Rhodes Hester; Mr. Mike Farmer; Mr. Rodney Dick; Mr. Randy McCallon; Mr. David Rowlett; Ms. Crystal Renfro, KACD, Executive Director; and Ms. Jennifer Burgan.

Others Present: Secretary Rebecca Goodman, Energy and Environment Cabinet; Mr. Gordon R. Slone, Kentucky Department for Natural Resources, Commissioner; Ms. Paulette Akers, Division of Conservation, Director; Ms. Johnna McHugh, Division of Conservation, Assistant Director; Mr. James Wright, Kentucky Division of Forestry, Director; Ms. Stefanie Osterman, Governor's Office of Agricultural Policy; Ms. Sonya Keith, Natural Resources Conservation Service; Mr. Kyle Kelly, Kentucky Farm Bureau, Director of Local Affairs; Ms. Kayleigh Evans, Kentucky Association of Conservation District Employees, President; Ms. Bridget Pile, Kentucky Association of Conservation Districts Auxiliary, President; Mr. Tim Mayer, Kentucky Energy and Environment Cabinet-OLS; Mr. Tim Hughes, Kentucky Department of Agriculture, Senior Trade Advisor; Mr. Larry S. Gomer, Simpson County Conservation District, Supervisor; Mr. Jeff Dembs, Garrard County Conservation District, Supervisor; Ms. Michelle Estes, Simpson County Conservation District; and Mr. Jeff Gravitt, Division of Conservation.

Quorum was met.

Call to Order and Introduction – at 9:02 a.m. by Mr. Jeff Rice, Vice-Chair, SWCC and Mr. Shane Wells, President, KACD. Introductions were made.

SWCC Minutes from the November 18, 2019 Meeting – A motion was made by Mr. Danny Shipley to approve the November meeting minutes as presented. Mr. Bill Harned seconded the motion. **Motion Carried.**

KACD Minutes from the November 21, 2019 Meeting – A motion was made by Mr. David Rowlett to approve the November meeting minutes as presented. Mr. Randy McCallon seconded the motion. **Motion Carried.**

KACD Correspondence – Ms. Crystal Renfro discussed the Whitley County FFA (Future Farmers of America) Land Judging Team and requested the board approve the amount of \$150.00 be allocated to the FFA. A motion to approve was made by Mr. Rodney Dick and was seconded by Mr. Allan Bryant. **Motion carried.**

SWCC Correspondence – Ms. Paulette Akers received a request from the Logan County Conservation District to consider shifting the remaining funds (\$6,067.61) from the 2010 & 2011 Dead Animal Disposal and Composting Environmental Grant to the 2016 Environmental Grant for the County Solid Waste Recycling Programs. The Logan County Conservation District will provide 75% from the grant and the remaining 25% match will be funded by the county or individuals dropping off items. A motion to approve the shifting of funds was made by Ms. Denise Hoffman and was seconded by Mr. Bill Harned. **Motion carried.**

Equipment Loan State of Operations – Ms. Johnna McHugh provided an overview of the Equipment Loan State of Operations with copies of report distributed to all board members. Mr. Sam Hughes made a motion to approve the report as stated. Mr. Bill Harned seconded the motion. **Motion carried.**

Conservation District Supervisors – Ms. Johnna McHugh presented the reports with copies provided to the board:

- Approval of vacancy petitions
 - Boone County – Matt Wooten to serve the unexpired term of Victor Vanover (2020)
 - Franklin County – Ricky Bailey to serve the unexpired term of Curtis Kirk (2020)
 - Mason County – Curtis Rosser to serve the unexpired term of Colton Bennett (2020)

Mr. Bill Harned made a motion to approve vacancy petitions. Mr. Sam Hughes seconded the motion. **Motion carried.**

- Incentive Pay for Supervisors
 - Bell County
 - David Gibbons – 10 ten minute trainings, Area 7 meeting.
 - William Partin – 9 ten minute trainings, Area 7 meeting.
 - Calloway County
 - Randy McCallon – Area 1 meeting, 12 ten minute trainings, KACD convention.
 - Don Overbey – Area 1 meeting, 12 ten minute trainings.
 - Mark Wilson – Area 1 meeting, 12 ten minute trainings.
 - Eddie Workman – Area 1 meeting, 12 minute trainings.
 - Steve Carraway – Area 1 meeting, 12 minute trainings.
 - Bobby Hill – Area 1 meeting, 12 minute trainings.

Ms. Denise Hoffman made a motion to approve the incentive pay for supervisors. Mr. Danny Shipley seconded the motion. **Motion carried.**

Agriculture District Program – Ms. Johnna McHugh presented the report with copies distributed:

Four (4) new petitions were presented to the Commission for a total of 541.78 acres.

- **Campbell County** (Petition No. 009-11 (A12) – 67.65 acres. Motion to approve was made by Mr. Bill Harned. Motion seconded by Mr. Sam Hughes. **Motion carried.**
- **Franklin County** (Petition No. 037-05 (A1) – 189.03 acres. Motion to approve was made by Mr. Sam Hughes and was seconded to Ms. Denise Hoffman. **Motion carried.**
- **Woodford County** (Petition No. 120-03 (A1) – 12.00 acres. Motion to approve was made by Mr. Bill Harned and was seconded by Mr. Jim Morris. **Motion carried.**
- **Woodford County** (Petition No. 120-07) – 273.10 acres. Motion to approve was made by Mr. Jim Morris was seconded by Mr. Danny Shipley. **Motion carried.**

Ms. Johnna McHugh presented Sixteen (16) petitions for recertification. Petitions are as follows:

Anderson	003-03	428.00
Anderson	003-04	296.60
Grayson	043-01	43.31
Henry	052-03	772.65
Henry	052-04	307.08
Henry	052-13	344.48
Henry	052-15	85.14
Henry	052-22	351.14
Jefferson	056-02	181.22
Jefferson	056-04	70.87
Jefferson	056-05	269.12
Jefferson	056-06	159.56
Mercer	084-08	770.00
Mercer	084-14	296.50
Woodford	120-01	120.62
Woodford	120-03	5,775.92

A motion to approve the Sixteen (16) Agricultural Districts for recertification was made by Mr. Sam Hughes and was seconded by Ms. Denise Hoffman. **Motion carried.**

NACD Director's Report – Mr. Jeff Rice informed the board of the upcoming NACD National meeting. The meeting will be held in Las Vegas on February 8th - 12th. Mr. Jeff Rice asked Mr. David Rowlett and Mr. Steve Coleman for any updates. Mr. David Rowlett discussed the health of Mr. Kevin Jeffries and how he is back to work and doing well. Mr. Steve Coleman discussed the NACD Spring Fly-in location and agenda.

Old Business –

New Business –

- NACD Spring Fly-in – Ms. Crystal Renfro informed the board that the Spring Fly-in will be held on March 25th.
- KACD Area meeting updates – Ms. Crystal Renfro informed the board that the upcoming area meeting dates.
 1. Area 1 – March 10th in Marshall County
 2. Area 2 – March 11th in Hopkins County
 3. Area 3 – March 3rd in Warren County
 4. Area 4 – TBD
 5. Area 5 – March 6th in Campbell County
 6. Area 6 – March 25th Scott County
 7. Area 7 – March 26th Pulaski County
 8. Area 8 – March 19th Rowan County
 9. Area 9 – March 27 Buckhorn State Park
- 2021 KACD Annual Meeting - Ms. Crystal Renfro discussed the proposals for the 2021 KACD Annual Convention. More information coming in March.
- Division of Conservation Equipment Loan Program statute consideration – Ms. Paulette Akers discussed KRS 262.610(1) and how it defines what the Commission's responsibility is with each equipment loan application's approval. Ms. Paulette Akers informed the Commission that the current and past approval process does not follow the KRS standard. Ms. Paulette Akers informed the Commission on things that are in the application or contract and not in the statute:
 - The amount of time equipment can be idle (contract says 475 hours of operation in every 6 month period)
 - The reporting requirements and frequency
 - The amount of time that can be spent on their own farm/property (35% on their own land)
 - Equipment can only be used in the county where the loan originates
 - The shortest time for a loan (contract says you have to pay for at least 18 months)

- Cannot be used for clear-cut logging or strip mining
- Insurance limits
- Late payment

Ms. Paulette Akers informed the Commission of the following options to correct the process:

Option 1 – Do nothing to this statute and only give loans to districts. (Regulations will need to be drafted to codify language currently in the contracts that does not appear in the statute.)

Option 2 – Modify the statutes and regulation language in the statute to allow contractors to purchase equipment. (Regulations will need to be drafted to codify language currently in the contracts that does not appear in the statute.)

Ms. Paulette Akers discussed the following questions that would be needed to be asked if option 2 is chosen:

1. How do we insure equipment is used for conservation?
2. What types of equipment would be restricted?
3. Would the district do the bidding for an individual?
4. What happens if they are late on a payment?

The Commission discussed the current approval process of the equipment loans and how any change could negatively affect how the districts use and distribute equipment for conservation usage. The Commission considered both options that were presented to them and have decided to move forward with option 2. Mr. Tim Mayer will work on the statute to update the current language to allow contractors in the approval process. A motion to approve was made by Mr. Bill Harned and was seconded by Mr. Jim Morris. **Motion carried.**

Ms. Johnna McHugh asked the board to decide if they wanted to allow the approval process to continue as it has in the past, while awaiting the statute process to be updated. A motion to approve was made by Mr. Jim Morris and was seconded by Ms. Denise Hoffman. **Motion carried.**

- Approval of Equipment Loan Requests – Ms. Johnna McHugh present the following for approval:
 - The Carter County Conservation District is requesting a loan for a 2020 model 200 gallon pull type sprayer, 8 roller pump, BXT nozzles, and aluminum handgun. Cost of equipment would be \$3,025.00. The district will be placing \$ 1,007.33 down in cash. The district is requesting a loan amount of \$2,017.67. The length of loan is for 3 years. Motion to approve was made by Mr. Bill Harned and was seconded by Mr. Jim Morris. **Motion carried.**
 - The Nelson County Conservation District and contractor Mr. Terry K. Broaddus is requesting a loan for a BBI Lime/Fertilizer Buggy, SN P0001484, 10 ton. Cost of equipment would be \$13,250.00. The Mr. Terry K. Broaddus will be placing one third down in cash for \$4,416.68. The district is requesting a loan amount of \$8,833.32. The length of loan will be 3 years. The Nelson County Conservation District has not submitted a complete loan application packet to the Commission. A motion to table the consideration until the next meeting when all the documentation is submitted was made by Mr. Bill Harned and was seconded by Ms. Denise Hoffman. **Motion carried.**

Mr. Jeff Rice introduced the new DNR Commissioner, Mr. Gordon R. Slone. Commissioner Slone discussed his background and his commitment to conservation.

- 2020 State Cost Share approval – Ms. Paulette Akers discussed the following State Cost Share information with the Commission before the Commission decides which option to approve:
 - The Kentucky General Assembly allocated \$2,500,000 in state cost share funding for the fiscal year 2020. Due to canceled practices, past allocations lower than appropriations and other funding issues, \$5,503,374.70 is currently unallocated.
 - Approximately \$2,091,868.84 remains obligated from the 2017 ranking that was awarded in September 2018. Applicants will have until 9/30/2020 to complete these practices. Unused funds will not be available for re-distribution until January, 2021.
 - Approximately \$1,645,277.82 remains obligated from the 2018 ranking that was awarded February 2019. Applicants will have until 3/1/2021 to complete these practices.
 - Approximately \$3,623,495.79 remains obligated from the 2019 ranking that was awarded in July 2019. Applicants have until 8/1/2021 to complete these practices.

- \$250,000 must be held in a contingency fund to pay Ag Water Quality Act violations.
- Districts submitted 864 applications requesting \$6,741,757.64 in state cost share, although many applications requested funds greater than those allowed for the practice or multiple practices for the same applicant. When practice caps were corrected and multiples removed, total funds requested were 844 individuals for \$5,427,463.04 with an average request of \$6,430.64.
- The majority of applications were for the Livestock Pastureland practices (609 applications). 206 applications were for Cropland practices.
- The previous cut off was 30 to include pasture renovation from recent weather issues.
- The past two calendar years have had an average of 1300 applications with about \$6.5 million awarded to 1000 people.
- The FY21 budget has not been approved. The only funds that will be available for the next cutoff is the amount remaining after funding these projects and any new funds.

Ms. Paulette Akers made the following recommendations:

- Option 1 - Applicants with scores of 40 or higher be funded for a total allocation of \$4,554,818.46 to 705 applicants. Of the 705 applications over 40 - 202 are cropland, 4 forestland, 14 animal feeding operations, 479 pastureland, and 6 streambank. About \$1,000,000 will remain to be added to the new appropriation.
- Option 2 – Applicants with scores of 50 or higher be funded for a total allocation of \$3,236,293.37 to 504 applicants. Of the 504 applications over 50 – 155 are cropland, 1 forestland, 13 animal feeding operations, 329 pastureland, and 6 streambank. About \$2,200,000 will remain to be added to the new appropriation.
- Option 3 – Applicants with scores of 60 or higher be funded for a total allocation of \$1,829,373.78 to 289 applicants. Of the 289 applicants or 60 – 71 are cropland, 1 forestland, 12 animal feeding operations, 201 pastureland, and 4 streambank. About \$3,700,000 will remain to be added to the new appropriation.

After discussing all three options the Commission decided on option one (1). A motion to approve was made by Mr. Jim Morris and was seconded by Mr. Sam Hughes. **Motion carried.**

Agency Reports

- Division of Conservation Report – Ms. Paulette Akers discussed the current funding level allotment that pulls \$370,000.00 each year from the old Environmental Grant funds. Funding at this pace will allow the program to proceed for another three (3) years, before it is limited to \$300,000.00 per year. Ms. Paulette Akers presented the following options for the Commission to consider before deciding on what Environmental Grant funding will be approved:
 - Option 1 – Fund all of the requests as submitted. Fund 90 counties for \$648,560.00 with \$21,440.00 moving forward.
 - Option 2 – Fund only Dead Animal Removal. Fund 55 counties for \$406,500.00 with \$263,500.00 moving forward.
 - Option 3 – Fund everything but workshops. Fund 84 counties for \$599,675.00 with \$70,325.00 moving forward.

The Commission chose to approve option one (1) when deciding what applicants to approve. Mr. Jim Morris made a motion to approve all requests from 90 counties for \$648,560.00 with \$21,440.00 moving forward. Ms. Denise Hoffman seconded the motion. **Motion carried.**

- KACD Treasurer’s Report – Mr. Ted Jessup presented the report with copies distributed. Mr. Ted Jessup made the motion to approve the report. Mr. David Rowlett seconded the motion. **Motion carried.**
- Governor’s Office of Ag Policy - Ms. Stefanie Osterman discussed the 2020 On-Farm Water Management Program that provides funding for Land-Grant and Regional Universities, non-profits and Kentucky farm families to financially incentivize better water management practices across the Commonwealth.
- KACD – Ms. Crystal Renfro discussed the following with the board:
 - A total of 50 sponsorship letters sent out YTD.
 - A total of 455 emails going out monthly to members.
 - Tree orders totaling in the amount of 100,000 are going out, with the pricing of .07 per bag.
 - 2021 KACD meeting to be decided on at the March 18th meeting. Mr. Steve Coleman made a motion for the Executive Committee to determine the meeting date. Mr. Ted Jessup seconded the motion. **Motion carried.**
- KACDE – Ms. Kayleigh Evans discussed the following with the board:
 - Soil Stewardship.
 - Order process for the “Things That Fly” art T-shirt.
- KACD Auxiliary – Ms. Bridget Pile discussed the current progress with the KACD convention quilt and the March 2nd scholarship cutoff date.

- Natural Resources Conservation Service – Ms. Sonya Keith discussed the NRCS/KACD agreement. NRCS will provide up to \$1.5 Million to KACD. This will pay up to 75% of the Soil Conservation Technicians salaries, fund a portion of the employee’s benefits and pay a 10% indirect cost amount to KACD. In exchange for this, the NRCS expects that additional field staff (up to 50) will be hired to assist with conservation efforts across the state and be available to work where conservation workload exists. The districts will have a voice in the hiring of the staff, as well as being involved in the performance review of the staff and assist with location employees where adequate resources exist. Ms. Sonya Keith discussed the federal budget being passed and the EQIP program and how the rules are being decided. Ms. Sonya Keith concluded by speaking about recent software changes and the new Conservation DeskTop software being implemented.
- Farm Service Agency – Not attended.
- Department for Natural Resources – No further comments beyond Commissioner Slone’s earlier remarks.
- Kentucky Department of Agriculture - Mr. Tim Hughes discussed the following with the board:
 - Mr. Ryan Quarles sworn in for another term.
 - Customer service priorities.
 - International trade, Phase I and Phase II agreement with China.
 - Current levels of employees down to 200 from 400.
 - Personnel costs – Salaries versus Benefits. 1 to 1 cost.
 - January is Ag Association month.
 - Feb. 26th upcoming UK Local Foods Summit
 - March 20th deadline for Ready to Grow Art Contest.
 - Feeding Kentucky
 - Hemp application deadline, March 20th.
 - Reminded everyone that the Linking Agriculture for Networking and Development (LAND) meetings to be held later this year
- University of Kentucky, CAFE – Not attended.
- Division of Forestry – No presentation.
- Kentucky Farm Bureau – No presentation.

A motion to adjourn was made by Mr. Danny Shipley and was seconded by Ms. Denise Hoffman. **Motion carried.**

Next SWCC meeting is April 20th at 9:00 a.m. at 300 Sower Blvd, Frankfort KY 40601.

Nest KACD meeting is TBD at Franklin County Conservation District.

