

State Conservation Commission Minutes
Spring Grant Round
May 17, 2018

The meeting was called to order at 8:15 am CDT by Vice Chairman, Doug Hansen.

Members Present: Tom Glover (attended via teleconference), Doug Hansen, Mike Konechne, Charlie Moe, Gerald Thaden and Gene Williams.

Members Absent: Wayne Bunge, Aaron Keisz and Tom Wolles

Others Present: See the Sign-in Sheet with the Commission Minutes file.

Vice Chairman Doug Hansen began meeting with introductions.

Minutes: A motion was made by Gene Williams and seconded to approve the March 20, 2018 minutes as amended (two typographical errors corrected). **Motion Carried.**

Upcoming Travel & Meetings:

A motion was made by Charlie Moe and seconded to approve the assignments below regarding which commissioners are to attend the various South Dakota Association of Conservation Districts (SDACD) area meetings. **Motion Carried.**

June 2018

Brian Scott will attend the National Association of Conservation Districts (NACD) Northern Plains Region Meeting on June 4-6, 2018 in Charlo, MT.

Gene Williams will attend the SDACD Northwest Area Meeting on June 13, 2018 in Faith, SD.

Gene Williams will attend the SDACD Hills Area Meeting on June 14, 2018 in Rapid City, SD

Tom Wolles will be asked to attend the SDACD Vermillion-Big Sioux Area Meeting on June 18, 2018 in Howard, SD.

Aaron Kiesz will be asked to attend the SDACD North Missouri Area Meeting on June 19, 2018 in Lebanon, SD

Gerald Thaden and Vice Chairman Doug Hansen will attend the SDACD Coteau Area Meeting on June 19, 2018 in Webster, SD.

Tom Glover and Mike Konechne will attend the SDACD South James-Missouri Area Meeting on June 21, 2018 in Mitchell SD.

Charlie Moe and Gene Williams will attend the SDACD Prairie Area Meeting on June 27, 2018 in Philip, SD.

July 2018

The SDACD Retreat will be held on July 23-25, 2018. The location has yet to be determined.

September 2018

The SDACD Convention has been scheduled for September 16-18, 2018 to be held at the Ramkota in Pierre.

Correspondence:

None

Revolving Loan Report:

The Revolving Loan Report was presented by Tiffany Shannon. The current cash balance is \$95,749.83.

Grant Program Updates/Changes/Amendments/Status Reports/Reversions:

A motion was made by Charlie Moe and seconded to deny the Bon Homme Conservation District's request for a one-year extension to their Enhancement Grant 2017-CSW-005 due to the request being unclear on intent. **Motion failed due to a lack of a majority.**

A motion was made by Gene Williams and seconded to approve the Bon Homme Conservation District's request for a budget amendment under the condition that funds go toward tree renovation, fabric installation and not to be used for additional cover crops on their Enhancement Grant 2017-CSW-005. **Motion carried.**

A motion was made by Charlie Moe and seconded to approve the Hanson Conservation District's request for a one-year extension to their Shelterbelt Grant 2018-CSW-018. **Motion carried.**

A motion was made by Gene Williams and seconded to approve the Jones Conservation District's request for a one-year extension to Shelterbelt & Renovation Grant 2016-CSW019. **Motion failed due to a lack of a majority.**

A motion was made by Mike Konechne and seconded to approve the Jones Conservation District's request to transfer funds (\$8,400) from stream barbs to tanks and pipelines and a request for a six-month extension to Grant 2017-CSW-018 (Multi-Practice V). **Motion carried.**

Grant Reversions:

A motion was made by Charlie Moe and seconded to revert \$49,758.89 to the grant fund. See breakdown below. **Motion carried.**

The Day Conservation District #2015-CSW-044 (Multi-county Trees) in the amount of \$22,668.19; the Aurora Conservation District #2016-CSW-001 (Shelterbelts) in the amount of \$7,468.80; the Jackson Conservation District #2016-CSW-017 (Shelterbelt Establishment/Renovation) in the amount of \$1.88; the Brule-Buffalo Conservation District #2016-CSW-26 (Missouri Coteau Managed Grazing) in the amount of \$499.98; the Haakon Conservation District #2016-CSW-030 (Water Quality Development) in the amount of \$8,042.98; the Kingsbury Conservation District #2016-CSW-032 (Conservation Education) in the amount of \$433.08; the McPherson Conservation District #2016-CSW-035 (North Missouri Grasslands Project II) in the amount of \$0.53; the Beadle Conservation District #2017-CSW-001 (Shelterbelt Program) in the amount of \$8,517.91; the Butte Conservation District #2017-CSW-008 (Envirothon) in the amount of \$2.76; the Butte Conservation District #2017-CSW-009 (Open Ditch Irrigation) in the amount of \$3,107.40; the Davison Conservation District #2017-CSW-12 (Tree Planting) in the amount of \$287.84; the Miner Conservation District #2017-CSW-024 (Conservation Education) in the amount of \$818.99; and the Hamlin Conservation District #2017-CSW-033 (Outreach & Promotion) in the amount of \$158.55 for a total amount of \$49,758.89.

Grant Application Review:

The grants were reviewed by the Commission. Conservation districts were allowed to present to summarize and answer questions regarding their grant.

Grant Selection (via random drawing method):

A motion was made by Gene Williams and seconded to deny the Kingsbury Conservation District's grant application for their Conservation Education Project in the amount of \$1,500.00 for one year. The reason given for the denial was the Commission would like to see the conservation districts look for local funding for small projects such as this. **Motion carried.**

A motion was made by Gerald Thaden and seconded to approve the Hamlin Conservation District's grant application for the Hamlin/Codington Tree Planting Project in the amount of \$11,459.00 for one year. **Motion carried.**

A motion was made by Gene Williams and seconded to approve the Davison Conservation District's grant application for their Multi-County Brush Management Project in the amount of \$11,500.00 for one year. Mike Konechne abstained. **Motion carried.**

At this juncture in the grant approval process, Tom Glover brought to the Commission's attention that, at the Fall Grant Round in November, the Commission made asked the Charles Mix Conservation District to resubmit their grant application at the Spring Grant Round. As this was at the request of the Commission, Tom felt Charles Mix should be at the forefront in the Spring Grant Round. A motion was made by Gene Williams and seconded to consider the Charles Mix Conservation District's grant application at this time. **Motion carried.**

A motion was made by Charlie Moe and seconded to approve the Charles Mix Conservation District's grant application for their Brush Management Project in the amount of \$15,000.00 for 1-1/2 years. Tom Glover abstained. **Motion carried.**

A motion was made by Mike Konechne and seconded to deny the Kingsbury Conservation District's grant application for their Shelterbelt Renovation Project in the amount of \$11,750.00 for one year. The reason for the denial was because there was a remaining balance on their previous grant and the Spring Grant Round is short on funds. The Commission encouraged the Kingsbury Conservation District to reapply in the fall. **Motion carried.**

A motion was made by Charlie Moe and seconded to approve the Lake Conservation District's grant application for Soil Health/Tree Planting in the amount of \$15,000 for 1-1/2 years. **Motion carried.**

A motion was made by Charlie Moe and seconded to approve the Brule-Buffalo Conservation District's grant application for the American Creek/Brule-Buffalo Renovation Project in the amount of \$15,000.00 for 1-1/2 years. **Motion carried.**

A motion was made by Gene Williams and seconded to approve the Perkins Conservation District's grant application for a Northwest Area Natural Resources Specialist Position in the amount of \$15,000.00 for six months. **Motion carried.**

A motion was made by Charlie Moe to deny the Brule-Buffalo Conservation District's grant application for the Central South Dakota Grazing Management Project in the amount of \$52,500.00 for 1-1/2 years. Mike Konechne abstained. **Motion fails for the lack of a second.** A motion was made by Gene Williams and seconded to approve the grant for \$30,000. Mike Konechne abstained. **Motion**

dies for lack of a majority vote. A motion was made by Charlie Moe to approve the grant for \$10,000. Charlie withdrew his motion when the Brule-Buffalo Conservation District commented that, as the grant gets divided into multiple projects, it was best to either approve or deny the original amount. A motion was made by Gene Williams and seconded to deny the Central South Dakota Grazing Management Project grant. Mike Konechne abstained. **Motion carried.**

A motion was made by Gene Williams and seconded to deny the Mellette Conservation District's grant application for their 2018 Multi-Practice Project in the amount of \$80,000.00 for 1-1/2 years. The reason for the denial was due to a shortage of funds and other ongoing grant projects Mellette Conservation District has. Charlie Moe abstained. **Motion carried.**

A motion was made by Gene Williams and seconded to deny the Butte Conservation District's grant application for their Open Irrigation Ditch to Buried Pipe Conversion Project in the amount of \$25,000.00 for one year. The reason for the denial was due to a shortage of funds and the main benefit would be for producers. **Motion carried.**

A motion was made by Charlie Moe and seconded to approve the Hughes Conservation District's grant application for their Tree Initiative Project in the amount of \$15,000.00 for one year. **Motion carried.**

A motion was made by Charlie Moe and seconded to approve the Brule-Buffalo Conservation District's grant request for their Brush Management Project in the amount of \$7,000.00. **Motion carried.**

A motion was made by Mike Konechne and seconded to approve the Hyde Conservation District's grant application for the Hyde/Hand Enhancement Project Phase 6 in the amount of \$10,000 for two years. **Motion carried.**

A motion was made by Mike Konechne and seconded to approve the Hanson Conservation District's grant application for their Cover Crop Project in the amount of \$10,000.00 for six months. **Motion carried.**

A motion was made by Charlie Moe and seconded to approve the Custer Conservation District's grant application for the Thinning for a Healthier Forest Project in the amount of \$10,000.00 for one year. **Motion carried.**

A motion was made by Gene Williams and seconded to deny the Hutchinson Conservation District's grant application for their Cover Crops Project in the amount of \$5,000 for one year. The reason for denial was due to a shortage of funds and this practice has been successfully applied in other counties. **Motion carried.**

A motion was made by Gene Williams and seconded to approve the Deuel County Conservation District's grant application for their Tree Planting Project in the amount of \$4,799.89 for six months. **Motion fails due to the lack of a majority.** A motion was made by Mike Konechne and seconded for approval of this grant in the amount of \$2,500.00. **Motion carried.**

A motion was made by Charlie Moe and seconded to approve the Pennington Conservation District's grant application for the Pennington/Meade Thinning for Forest Health Project in the amount of \$12,299.00. **Motion Carried.**

Conservation District Accounting Manual Revisions

Tina DeHaai reviewed the Conservation District Accounting Manual revisions with the Commission. A motion was made by Gene Williams and seconded to approve the revisions. **Motion carried.**

Conservation Tillage Loan Fund Program

Tiffany Shannon presented the program to the Commission. A motion was made by Gerald Thaden and seconded to recommend the following changes to the Conservation Tillage Loan Fund and submit these to the Ag Development Division for their consideration. **Motion carried.** Tiffany Shannon will provide Terri LaBrie in Ag Development with the following suggestions:

Natural Resources Conservation Equipment Tillage Loan Fund As of 4/30/2012

The **Natural Resources Conservation Equipment Tillage** Loan Funds come from the Rural Rehabilitation Loan Fund and are used for the Agricultural Development Participation Loans and Guarantees. There are over \$5 million in the fund, but only \$3.69 million is currently available, due to other applications and obligations. The current annual interest rate is 4%. Over the life of this fund, 35 loans have been awarded to conservation districts.

Key loan rules:

- **12:07:10:02. Purpose.** Conservation districts may purchase equipment for ~~soil-natural resources~~ conservation practices and programs using proceeds from the **Natural Resources Conservation Tillage Equipment Loan** program. Districts ~~shall rent~~ **may provide** the equipment to the farmers and ranchers of this state to implement ~~soil-natural resources~~ conservation practices and programs.
- **12:07:10:05. Commission disposition.** The commission shall review the application requested for accuracy and validity. The commission shall submit the completed application to the administrator with recommendations of approval, conditional approval subject to modifications or performance of certain actions, or disapproval. If the recommendation is to disapprove the application, the commission shall transmit the reasons for the recommendation to the administrator.
- **12:07:10:07. Loan proceeds.** The district shall use the loan proceeds for the purchase of equipment.
- **12:07:10:08. Loan amount.** The maximum loan amount that can be borrowed by a district is ~~\$30,000~~ **\$100,000**. The loan amount may not exceed eighty percent of the purchase value of the equipment.
- **12:07:10:10. Loan maturities.** The loan maturity shall be based on the purpose, the type and expected useful life of the equipment, and loan amount. The term may not exceed five years. There is no prepayment penalty.

Soil Conservation Award Review and Selection:

Brian Scott presented the following two nominees to the Commission:

Brian Klein, Moody Conservation District

Rick & Shelly Ammann, Roberts Conservation District

A motion was made by Charlie Moe and seconded to approve both nominees. **Motion carried.**

Development of the New Commission Guidelines and Priorities

Doug Hansen presented an overview of, and the background, for the Commission Guidelines and Priorities to the two new Commission members, Mike Konechne and Gene Williams. Doug asked the Commission to review the 2018 guidelines and priorities in order to begin preparations for the 2019 guidelines and priorities.

Code of Conduct:

Bill Smith gave a brief update on the status of the Code of Conduct. The draft Code of Conduct may be revised in the near future, so the Commission should wait until a future meeting to review, make changes or adopt as is.

Conservation Planning Policy:

Jeff Zimprich presented the Conservation Planning Policy letter to the Commission and asked if Tom Glover, as the Conservation Commission Chair, would sign the letter. Tom agreed to sign.

SDACD Committee Assignments:

Angela Ehlers reviewed the 2017 SDACD Committee assignments with the Commission in order to identify assignments to the SDACD committees in 2018. Mike Konechne will replace David Fischbach in the Natural Resources Stewardship Committee. Gene Williams will replace Alan Vedvei in the District Capacity Committee.

Division Report:

Bill Smith provided a verbal Division Report to the Commission.

Emerald Ash Borer Update:

Bill Smith provided a brief update on the Emerald Ash Borer found in north Sioux Falls.

Commission Member Reports:

Doug Hansen discussed the State Conservation Speech Contest that he helped judge in April. Doug commented that participating in the Speech Contest was a very rewarding experience.

Advisory Board Member Reports:

Angela Ehlers and Jeff Zimprich provided an updates to the Commission on SDACD and NRCS activities, respectively.

New Business:

None

Next Meeting:

The next meeting will be held in July, depending on business needing to go before the Commission. Otherwise, the next meeting will be in September at the SDACD Convention in Pierre.

Ending Remarks:

None

Adjourn:

The meeting was adjourned at 1:10 pm CDT by Vice Chairman Doug Hansen.