

Colorado Association of Conservation Districts
Board of Directors Meeting Minutes
January 18, 2023, Face-to-Face

Attendees:

Jim Cecil, CACD President - Republican River Watershed
Tyler Neely, CACD Vice President - Rio Grande River Watershed
Mike Cleary, CACD Secretary/Treasurer - Gunnison Dolores Watershed
Scott Jones, CACD Director - Colorado River Watershed
Charlie Carnahan, CACD Director - Upper South Platte Watershed
George Fosha, CACD Director - Upper Arkansas River Watershed
Nick Charchalis, CACD Director – North-Platte/White-Yampa River Watershed
Dale Parker, CACD Interim Director - Lower South Platte Watershed (via Zoom)
Bob Warner, CACD Alternate Director - CO NACD Representative - NCF Trustee
Brett Moore, CACD Legislative Liaison

Absent:

Bobbi Ketels, Executive Director (Emergency)
Gary Thrash, CACD Director - San Juan Basin - CO NACD Alternate Representative

Guests:

Les Owen, CDA
Cindy Lair, CSCB
Margaret Lenz, CSCB

President Jim Cecil informed the board that Bobbi Ketels had an emergency after arriving for the meeting and had to return to Lamar.

Call to Order:

The meeting was called to order by **President Jim Cecil** at 8:00 AM after establishing a quorum. **Discussion took place about additional agenda items. The board determined these discussions would occur during the joint meeting with CSCB.**

Prior Meeting Minutes:

President Jim Cecil asked for a motion to approve the **December 2022** minutes. **Director Mike Cleary** noted one correction on page 2 of the minutes. He did not ask the State to issue permits to fly over federal land but instead requested that the State explain to the Feds that we need permits to fly over Federal lands. **Director Nick Charchalis** moves to approve the December 2022 minutes with the noted correction. **Director Scott Jones** gives the second. **Motion Passes.**

Legislative Update:

No Update

NRCS Update:

Clint Evans reported for NRCS. NRCS still needs to receive the Inflation Reduction Act allocation for 2023. Funds were due to arrive in mid-January but have yet to arrive. He hopes the allocation will arrive by the end of January for both program dollars as well as technical dollars. yet to receive the full-year allocation because Congress just passed the annual budget. The Office of Budget and Management is going through how to spend the dollars. He anticipates that it will be a slight jump in funds for 2023. The estimate for Colorado is a possible \$2.5M increase. However, for fiscal years '24, '25, and '26, the dollars will go up substantially and could potentially double the annual allocation. Currently, the average Colorado allocation for EQIP is \$35M. If that allocation doubles in 2024, we could see an EQIP allocation of \$70M. CSP is typically in the \$15M range, which could also double. NRCS is in

the process of having discussions with partners like CDA and CSCB on how to build capacity. NRCS cannot hire enough people internally for that 3 or 4 years. They need to staff up for about five years, three years while obligating the funds, and 2 to 3 years after that for implementation. NRCS will do some term-type positions that could be deferred to full-time if the funds are there to support them. There is also the unknown, with the divide in Congress; will the Inflation Reduction Act be rescinded for those future years? We already have the allocation for '23. Everything for '24 and beyond is up in the air. Due to this unknown, NRCS cannot staff up with 30-40 people through partner agreements and internally and in '24, realize they will not get the funding. Since it is a gamble, he feels staffing is up by 10% (23-24 people) beyond the current 230; they should staff up where the partners have the capacity and the match. If they can flex up 23-24 internal positions plus another 20-25 partner positions, that would give another 50 people around the state. That might not be everything they need because now we have to streamline and make people more efficient. This is all speculation if all the funding comes to fruition.

The wildcard is the Regional Conservation Partnership Program. RCPP funds are in the billions by the 3rd and 4th years. For 2023 the RCPP gets a \$250M increase; in 2024, it is an \$800M increase; in 2025 increase is \$1.5B, 2026 is a 2.4B increase. All total, the IRA funding authorizations approved by Congress are 9.5 times the funding that was authorized in the 2018 Farm Bill. It is going to be tough to have the capacity to do it. Most statutory requirements will still apply. EQIP dollars through the IRA, under the Farm Bill, 50% goes to livestock-related project activities, 10% to wildlife, 5% to the beginning and disadvantaged farmers, and a percentage to storm protection. Under the IRA program, they kept all that intact except for the 50% for livestock. He does not know why this is the case. The IRA funds through EQIP do not need to meet the 50% for livestock. There is a good chance that in Colorado, they can meet that because of the many livestock-related projects. So, any time NRCS is doing an irrigation-related project for producing feed for livestock, which can be counted toward the livestock funding category. Other states have an issue meeting the 50% for livestock, but for many, like Colorado, it is not a problem, and it balances out nationwide.

The Technical Assistance funds that are being used for the demonstration projects he would like to flex up to encourage more districts to do demonstration projects. Once the money is received in 2023, Clint will follow up with CACD and see if it is possible to increase from the current \$75k to \$150K or \$200K. With hiring a new ED, there will be a learning curve to administer that program. He stated they might be able to do a 5-year term with these funds.

This year NRCS did develop a new policy under the EQIP program called Act Now. The policy allows NRCS to do eligibility and screening right away, and if all their paperwork is on file, they can write a contract right then for signing. The program was piloted last year with the cover crop initiative, and they were able to obligate \$3.2 – \$3.4M in under 2 ½ months. Currently, it takes almost ten months from when a producer applies to when they are awarded. A forestry fund pool has been added, and they were able to fund \$1.5M in projects that were ready to go. There may be another \$1M available.

In the last two years, they have had one major failure under the EQIP, Water Management Entity (WME) funding. They did award several WME projects that have been canceled. These canceled projects were mainly due to higher than estimated costs with increases in the pipe and other materials and lack of contractor availability. They were canceled due to financial hardship. NRCS may need to be flexible with other WME contracts. When this issue is expressed at the federal level, it is ignored. Colorado NRCS hesitates to enter into any new WME-type projects because they do not want to obligate now and then have the contract canceled. This would impact the implementation rates. Colorado NRCS cancellation rates are around 2 – 3 % in a normal year. Over the last 2 ½ years, which has gone to 10%. These cancellations happened 6-8 months after signing contracts because costs got too high, or they could not get a contractor or something along those lines. About \$3.5M was obligated out of the 2021 obligations and around \$4M out of the 2020 obligations. De-obligated contract funds return to the agency and may or may not return to Colorado. Colorado would have to request the funds through other funding opportunities.

Discussion continued about ways to circumvent the increased pipe prices. Clint stated that with the Act Now policy, projects should go in faster and might help the process, although projects will still lag about one year behind due to how payment rates are developed. The IRA funding is very climate-focused, and there is a list of climate-smart agriculture and forestry practices (approx. 39 practices). Adam Chambers is the climate scientist in the agency that helped develop the practice list. These practices contribute to increasing carbon sequestration, decrease in greenhouse gas emissions, etc., and those are the projects they are trying to focus on. TA funding increases would have been more beneficial. With the increased costs of structural practices, Clint would like to pay for the agronomic (management) practices, things like prescribed grazing, irrigation water management, nutrient management, or the no-till residue management projects. The producer can then take those funds and install a pipe or a pivot for their grazing system without using NRCS engineering specs. NRCS staff sees NRCS as an engineering agency, but Clint feels they need to change to meet obligations and reduce cancellations.

Director Scott Jones added that with the introductions of the wolves in Colorado, it would be great if NRCS had a pool to help ranches with range riders or other ways to help ranchers stay in business. Technology will help, but they need manpower as well. Clint stated that NRCS funds must be tied to conservation practice. However, when he was in Idaho, they had prescribed management practices incorporating the range rider's cost. With these payments, the rancher could use the funds to hire a range rider. Clint will investigate this possibility.

Director Mike Cleary added that, as described in the wolf discussions, when wolves are introduced and redirected where cattle graze, fire danger increases. This may be a link to a conservation concern or practice. Clint brought up that RCPP might be an opportunity to monitor a grazing project to address the range rider issue. The CIG is being used in Montana for a large netting where you bring your sheep and goats in at night and have electric fencing to keep the grizzlies and mountain lions away.

Clint also mentioned that two funding opportunities would be coming for the RCPP. One will be RCPP Classic, where a partner develops a project, and NRCS helps with implementation. In the old version, there was an alternative funding arrangement in that the partner took on everything, including the planning and design. NRCS only did the quality assurance and oversight. This year, instead of offering an alternative funding arrangement, they are looking at offering it as grants. The grant funding would operate similarly to the Conservation Innovation Grant provided under EQIP but will be done under RCPP. The entity would then be responsible for all planning, design, and conservation practices, and NRCS would do overall oversight of the project. It is planned to happen in 2023 and potentially through 2026 if Congress does not rescind the IRA funding.

Director Nick Charchalis mentioned that the funds being talked about are huge. How can CACD be involved in getting the funds for Colorado? Clint suggested that, for example, CACD be a sponsoring entity to apply for an RCPP grant, define a project, go out to your local conservation districts, CDA or CSCB, and ask if they want to participate with you on this RCPP and can they help you with the boot on the ground capacity, to do the planning, design, and implementation. That way, you have the local lead conservation partnership. It may take thinking outside the box. It will probably take a collation of partnerships for a project. Clint added that if CACD were to develop a project relating to the wolf/livestock issue to manage range land better, the scope and focus would be improving grazing, improve soil health, overall range ecology, and incorporating the range riders and virtual fencing and those kinds of things. This could be under the umbrella of the project, but you will need to focus on a climate connection. You will need to look at how to increase carbon sequestration and reduce greenhouse gasses, fire mitigation, etc. Individual districts can also apply for RCPP funds. Districts can also partner with other states.

Cindy Lair asked Clint his opinion on the possibility of another Farm Bill not happening because of the IRA funds. Clint stated that it is always possible to be used as a political move. However, the Farm Bill is much broader than the USDA's mandatory conservation programs. What is more apt to happen is the rescinding of the IRA money to come to an agreement on the Farm Bill. Margaret Lenz asked Clint if stepping up the DCT funding is a possibility. Clint stated that he would be looking at this and would be in contact with Cindy Lair when his funding is known.

He acknowledged that the NRCS attrition rate has increased over the last 2 ½ years from 15 employees to 25 employees. NRCS does not have competitive wages, which creates an issue with hiring and retaining employees.

The CACD BOD Meeting paused at 11 AM to hold a joint meeting and lunch with the CSCB Board of Directors and staff.

The CACD BOD meeting reconvened at 1 PM with an established quorum.

CSCB Update - Cindy Lair:

Cindy gave her update during the joint CACD/CSCB meeting.

CDA Update – Les Owen:

No Update

NACD Update:

NACD discussion took place during the joint CACD/CSCB meeting.

CACD Programs:

No Updates

CACD Operations Draft:

No report due to Bobbi Ketels absence. Director Jim Cecil informed the board that Bobbi has agreed to prepare a manual of operations for the next executive director. Bobbi sent a draft copy of the manual to Board members. It is in a calendar format listing monthly tasks. **President Jim Cecil** suggested that if a Board member has any suggestions for Bobbi about the manual, please get in touch with her. **Director Scott Jones** indicated that the job be advertised as two jobs. Mike agreed with that concept. Mike stated that he spoke with Suzie Bilberry about taking over the books. The US Bank account signatory will need to be changed by adding her to the account and deleting Bobbi from the account. **Director Nick Charchalis** asked for clarification on the divided duties.

Director Scott Jones stated that the main focus of the ED would be to perform the day-to-day conversations that come and go and partnerships. He feels that there is also an opportunity to sign a contract or to advertise the job where one person does the day-to-day operations and the other person would be fund-raising. The fundraising position's salary could be based on the amount of funding the person brought to the organization. Much discussion followed with statements that included: the job is a lot for one person, a person that deals with all financial matters, including NRCS, and works with collecting annual district and other grants, and membership fees, the position should be a two-person job, speak with other organizations such as CCA and how they handle positions (specifically fundraising), higher salary if you want a qualified person, grant writer, 2-3 person job, work from home, work with flagship programs (should be one person), clarify the job description, and job time requirements.

Director Mike Cleary noted that **Director Scott Jones** reestablished the NRCS/CACD working relationship, and the new executive director will want to recognize and maintain that relationship as Bobbi has. The job description needs to be defined so the job can be advertised and received into a locked email address. Bobbi might be willing to continue working, as a contract employee, with the NRCS project funding as it is a large part of the CACD annual funding. It will take more than 30 days to transition the job. Possible costs associated with all the ideas were discussed. Until the job is defined and posted, it is impossible to determine all related costs.

Director Scott Jones mentioned the CACD storage unit in the Colorado Springs area. How do we deal with that? Margaret Lenz suggested that CACD purchase an enclosed trailer that can be moved to the location of the new ED.

Director Mike Cleary motions to discuss an up to 6-month service contract with Bobbi Ketels to service the NRCS contracts, with wording that will extend or terminate the contract as part of the job transition. It will require an agreement between Bobbi and Clint Evans. This is to be discussed between the Board members. **Director Tyler Neely** seconds the motion. Discussion included how to pay for the position, transition time, and will Clint and Bobbi be open to having the conversation. **Director Nick Charchalis** asked if someone has the right experience and wants to take over the NRCS contracting; what do we do about the contract with Bobbi? The Board feels that a contract should include language to address the issue. **Motion Passes.**

Director Mike Cleary asked how far from Denver should the ED address be. **Director Scotts Jones** thinks the position would be best placed in the Denver area, but it is unnecessary. Proximity to partners would be a plus.

2023 Annual Meeting: Discussion for the dates concluded that early December or before Thanksgiving would be good dates. Margaret Lenz stated that after Thanksgiving is better for the corn farmers harvesting in the eastern part of the state. **Director Dale Parker** echoed Margaret's statement. The meeting will be for two days at the same location as the 2022 meeting. Jim suggested that everyone email Bobbi with date ideas and vote via email. The first week of December was suggested.

CACD Financials:

Director Mike Cleary moved that the financials be tabled until the next CACD Board meeting. **Director Scott Jones** seconds the motion. **Director George Fosha** asked if there was anything unusual in the financials. Mike stated there was not; however, the year ended with a loss. The full 2022 year-end financials were not ready to be released. There were funds in the checking to cover the loss. **Motion Passes.** Bobbi provided a packet of financial reports and a financial summary at this face-to-face meeting. Bobbi had to leave due to a family emergency, and the financials were tabled. **Motion Passes.**

The meeting was Adjourned at 3 PM.

Respectfully Submitted,

Bobbi Ketels
CACD Executive Director