

MEMORANDUM

TO: Projects, Programs and Operations Subcommittee

SUBJECT: Changes to District Programs and Policies (Director Japp)

DATE: August 3, 2009

FROM: John Winkler, General Manager

Per an e-mail request from Director Japp on May 28, 2009 the following policy revisions/changes were researched by District staff to determine their impact on the District programs, policies and budget. Each of the District Program Managers, Field Representatives and Program Assistants were asked for their input based upon their direct working relationships with the landowners, conservation contractors and with the NRCS personnel in their respective offices.

Below is a copy of the e-mail from Director Japp and the corresponding response to the inquiry is in bold type right below the question.

John Winkler and Directors

I want on the agenda for next month to debate the following policy revisions.

1. To start the Thursday monthly board meeting at 7 pm.
 - A. We start all other meeting at 6.30 pm. There is no need that we cannot start the meeting earlier.
 - B. We do not have a board director that needs to travel a long distance to attend this meeting.
 - C. All participants would return home at a better time so they can prepare for their daily work.
 - D. After 10 pm I lose my ability to make a rational decision.

This item was addressed at the July Board of Directors meeting when the Board voted to begin Thursday Board of Director's meetings at 7:00 p.m.

2. Projects or programs values more than \$200,000 I would like at least a month or more notice before we vote to approve financial funds.
 - A. When making a large financial decision I want adequate time to make a decision. Our staff knows weeks if not months in advance of up-coming projects and programs so I want to know as soon as they are notified so we can prepare for upcoming projects.

Currently, staff attempts to keep the Board of Directors informed of all projects and programs as soon as possible. If the Board of Directors is ever uncomfortable with a project and/or program or needs more information before approving a project or program the Board, at its discretion, can lay over the agenda item until it is satisfied

that all information has been provided and adequately debated. In addition, the Board of Directors approves a yearly budget in which these larger programs and projects would need to be adequately planned and budgeted for during the budget process.

3. We need to add to our policy manual to lay out the director's rules and regulations for policy violations.

A. We have not set rules for employees that violation our rules.

B. I want to implement a 3 strikes and you are out rule.

The District currently has a disciplinary procedure policy for all employees that are employed by the District.

4. A monthly balance sheet to be provided with the monthly financial statement.

A. As running business I need to know where we are at financially. Have a balance statement we can tract were that money is at all time and how much each program doing.

B. It will not take any more time since I am sure our account software should already provide this information.

We are technically able to produce a balance sheet every month. However, we do not close the books every month the same way that we do at the end of the year. Therefore, there is little information on the balance sheet that changes every month – most accounts remain static until the end of the year. The cash accounts are reconciled every month, and we could provide that balance if the board would like.

5. Conservation Assistance Program (17.3)

A. Change 75% cost share to 85% cost share of State average.

Do to the changes in NRCS payment schedule last year the NRD is now funding a less proportion of funding than previous years. This is to do NRCS payment based on a State average and not a local average. This would just put us in par with previous years. Our cost of building structure in our district is much higher than the State.

Increasing the cost sharing rate from 75% to 85% is unnecessary as evidenced by the fact that this fiscal year the District has expended its Conservation Assistance Program budget of \$500,000 and has additional applications for funds that totals more than \$200,000. Over the past ten years, the P-MRNRD has spent \$9.28 million in conservation cost sharing dollars to landowners. Any increase in the cost sharing percentage will result in less conservation work being completed for the same amount of money expended. An increase in the cost sharing percentage would most like result in a decrease in the amount of USDA Environmental Quality Incentive Program (EQIP) funds that are allocated and spent in the District.

B. Change to cost share limit from \$20,000 per year to \$30,000 per year.

1. Do to increasing cost and larger farm projects this may hinder future developments. Farmer today wants to improve entire tracts of land.

This would accomplish a better overall conservation plan.

The P-MRNRD has the ability to increase the \$20,000 maximum on an as needed basis if sufficient dollars are available to fund larger projects in order to implement a complete conservation plan on an individual farm.

- C. Cost share 50% on DEQ approved livestock waste facilities up to \$1 million.
 - 1. As larger and more CFO are built in our district it would be prudent to provide more assistance in assuring we help this COF meet the DEQ obligations.
By providing a financial incentive we can promote a better environment to the surrounding communities.

The P-MRNRD policy is to cost share only on livestock facilities that existed prior to January 1, 1979, the date that the Department of Environmental Quality made livestock waste control facilities mandatory. The District's rationale for not funding facilities built since then is that the cooperators know of the Department of Environmental Quality (DEQ) requirements and that the waste facilities should be part of the cost of building a livestock feeding facility. There are USDA dollars available to livestock producers through EQIP. The proposal to spend up to \$1 million for a facility would use all of the CAP cost sharing funds at the current funding level.

- D. Increase the summer conservation payment from \$50 per acres to \$150 per acre.
 - 1. This program is to encourage conservation practice to be implemented in the summer time. At the present time most of the conservation practices are constructed in the fall and consequently not all practices can be completed in the allotted time.

This program was established to enable the NRCS to spread out their work load by being able to design and layout conservation work for construction during the summer months when little conservation work is done. Currently the NRCS and P-MRNRD have sufficient technical assistance personnel available to design and layout conservation work in the fall, winter and spring. However, this program does provide another option or opportunity for landowners to do conservation work during what is a nontraditional time of the year to do construction, and as such should be retained, but at the current payment level of \$50 per acre. As noted earlier, the District has spent an average of \$928,000 per year in cost sharing funds over the past ten years, not including a substantial amount of Environmental Quality Incentive Program (EQIP) cost sharing funds in recent years.

- 2. This amount of \$50 per acre was approved in the 70's. We need to update the amount to reflect the changing times. Other NRD's have increased their amounts to \$120 per acre.

With the success the soil and water conservation cost sharing programs have in getting conservation on the land at the current cost share levels, it is unnecessary to add additional incentives. Should this change, it may be advisable to reconsider the per acre incentive levels.

- E. Increase to payment on buffers strips to \$150 per acre.
 - 1. This may encourage farmer to install and maintain buffer strips.
We are competing with increasing value for the land.

Programs to install buffer strips are available to landowners through the Nebraska Department of Agriculture or through the USDA Conservation Reserve Program. Cooperators can receive \$150 per acre or more thorough these programs. Efforts by

the District to encourage landowners to install and maintain buffer strips by offering financial incentives have been largely unsuccessful.

6. Dike Protection (17.11)

- A. We need to assist in all levees and dikes in the entire district. Not just along the Elkhorn, Missouri and Platte River.**

This policy has been utilized very few times over the past 20 years, which indicates that there is apparently not a great demand for such assistance. The policy was geared towards rivers, because a majority of private dikes/levees are located along these rivers. There may be some private levees along streams in the NRD, but a high percentage of them are a spoil bank type levees that is not designed and merely pushed up with equipment or built with spoil from a stream dredging activity. Consequently, the District could be in a position of repairing a non-engineered levee structure. Even though the policy does not include small stream like dikes, the landowner can still approach the NRD Board for consideration and the Board has been receptive to assist in repair projects (i.e. Forest Run Ditch project) that benefit more than one landowner.

- 7. We have an urban stream bank stabilization program (17.17) However we need to encompass the entire district with a similar program. Stream banks in Omaha are no more or less important than any other place in the district.**

The Urban Drainage way Program was established to cost share specifically with municipalities to help solve URBAN stream bank erosion. It was a means of funneling tax dollars back to urban areas, the source of the majority of our property tax funds. At the time the District was being criticized for not providing enough funding to the urban areas of the District. The program already applies to the entire District. The District has cooperated with Omaha, Bellevue, Papillion, Ralston, LaVista, Blair, Tekamah, Macy and South Sioux City on projects to solve stream bank erosion and storm water management problems. These projects are quite expensive and can run nearly 2 million dollars per mile. One stream bank erosion project in a rural area was the Elkhorn River IPA (King Lake to Hwy 36). The District received 75% cost sharing from the Resource Development Fund; the District contributed 15% with the remaining 10% paid by the landowners. However, the Resource Development Funds rules have changed thus making these projects uneconomical in the states eyes. This means the NRD would have to foot the entire bill or a great percentage of it to match previous efforts.

8. Well abandonment program.

- A. Increase the cost share rate back up to 75% where it was previously.**
B. Increase the maximum cost share rate to \$750 for domestic drilled wells, \$1000 for dug wells and \$1,500 for irrigation wells. This reflects current costs.

This is a program that helps insure that wells are properly decommissioned to meet State guidelines; landowners are required to do so. The cost sharing rate of 75% was initially used, but the 60% rate was adopted because it provided ample incentive, especially when the proper abandonment of wells is required by law.

The maximum cost share dollars suggested are higher than the current cost information we have available to us indicates.

9. We need have a program similar to Silver Creek project to build small dams within the the entire district.

Cost sharing for small dams is available throughout the District through the Conservation Assistance Program; the cost-share percentage is 75%, the same rate as that provided for other conservation measures. Special Watershed Projects such as the Silver Creek Watershed have been designated as high priority multi -purpose projects (the Pigeon/Jones project is another example of a high priority multi- purpose project) Erosion control dams in Special Watershed areas are built at no cost to the landowner, however, the landowner must provide the land rights needed to build the dam at no cost to the District.

- . 10. The (WHIP) program is schedule to expire this year. We need to reinstate this program. However I propose some changes to make it more acceptable to the public.
- A. Habitat plan provide to our field office.
 - B. Noxious weeds must be controlled
 - C. No haying or grazing, however they can maintain the site.
 - D. Total acres round to the nearest acre.
 - E. Minimum acres 1, maximum acres 20, per parcel.
 - F. Grass planting must be approved native mix.
 - G. Cost share rate of 75% of seeding of native grass mix. (County or NRD average)
 - H. Failure to comply requires owner to repay or forfeit payment.
 - I. Term of contract a minimum of 10 years, with an option to renew.
 - J. Term of payment of \$50 per acre per year.

Many of the suggestions shown above were the same or similar to those contained in the Game and Parks/P-MRNRD programs, and should be considered if the Wildlife Habitat Program is continued. The Game and Parks Commission and the P-MRNRD shared the costs associated with WHIP (Wildlife Habitat Incentive Program) and its successor, Wild Nebraska. There has been very little interest in this program since the Nebraska Game and Parks Commission eliminated for the most part making annual rental payments to landowners. The current program, The Wild Nebraska Habitat Program, assists landowners with developing habitat but does not pay them an annual rental payment for the acres enrolled in the program. There are other sources of funds available for landowners to establish wildlife habitat such as USDA Conservation Reserve Program practices including the Conservation Reserve Enhancement Program (CREP), the Wild Life Habitat Improvement Program and the Quail Initiative. The P-MRNRD has programs that will provide cost sharing funds to cooperators for the establishment of permanent vegetation including trees and native grasses. The District has a wildlife habitat practice that was designed specifically for acreage owners. It reimburses landowners for the cost of establishing wildlife habitat on their land and pays the owner \$25 per acre per year for the ten year contract. The District could develop a program of its own if the Board of Directors chose to do so. A number of the suggestions made by Director Japp could be used in the development of a program.

Since we are the administrator for the PCWP what is our system to account for the personal time that they account for toward the PCWP? What is the hourly rate we charge the PCWP?

The District does track the hours of personnel time utilized for the administration of the PCWP. However, the District does not bill the PCWP on an hourly basis.