



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

IDAHO SOIL & WATER CONSERVATION COMMISSION PUBLIC COMMISSION MEETING

Date and Time:

Tuesday, March 22, 2011

From 8:30 a.m. to 12:00 p.m. MST

Location:

Len B. Jordan Building

650 W. State St., Boise Idaho

Div. of Purchasing Conf Room B15

APPROVED MINUTES

COMMISSION MEMBERS PRESENT:

Bill Flory

Dwight Horsch

Dick Bronson

Roger Stutzman

Dave Radford

ADVISORS PRESENT:

Todd Wilson, Idaho Bankers Association (via teleconference)

COMMISSION STAFF PRESENT:

Sara Schmidt

Kristin Magruder

Bill Lillibridge

Terry Hoebelheinrich

Erin Seaman

PARTNERS AND GUESTS PRESENT:

Harriet Hensley, Deputy Attorney General

Charlene Wimpy, Payette Conservation

District and IDEA

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43

The meeting was called to order by Chairman Bill Flory, Idaho Soil & Water Conservation Commission (SWC) member at 8:30 a.m.

Welcome and self-introductions followed. Todd Wilson participated via teleconference.

RESOURCE CONSERVATION AND RANGELAND DEVELOPMENT PROGRAM

Financial and Cash Report

Terry Hoebelheinrich presented the Financial Report ending February 28, 2011. Ending cash balance was \$2,649,864 after principal payments, interest payments, interest earned and program expenses. After holding a 3% contingency of \$234,504 and budgeting for funds approved but not disbursed of \$172,964 and the loans pending approval today for \$435,132, there is \$1,807,264 in available funds left to loan.

Mr. Hoebelheinrich provided a loan status report on the outstanding principal loan balance in the amount of \$7,954,422. There were \$56,451 in disbursements made during February and \$194,079 in principal payments received, leaving an adjusted principal loan balance of \$7,816,794. Current number of active loans is 182. There are three past due loans totaling \$33,908 in past due installments.

Cash Flow Report for FY2011 through FY2015.

Mr. Hoebelheinrich reported that FY2011 3rd Quarter is current through February 29, 2011 with an ending balance of \$2,649,863 after disbursements and expenses. Funds approved but not yet advanced total \$123,000 and the total of pending loans for today's meeting is \$435,132. Total pending obligations are \$558,132. Sara Schmidt, SWC Administrator, and staff discussed the method for projecting principal and interest totals, which are based on actual scheduled loan payments within the loan servicing software. These projections do not include the possibility of early payoffs and do not include the interest earned from the State Treasurer on the current cash balance.

There was discussion about what options would be available to the Commission for reinvesting the Treasurer's interest, which is approximately 8/10th of a percent on the current cash balance. The Deputy Attorney General was directed to research this issue and provide a report at a later Commission meeting.

General discussion followed. There is a pending issue surrounding a current borrower that is applying for additional funds. Harriet Hensley advised that the issue needs further research and discussion with John Homan at Water Resources. Mr. Hoebelheinrich advised that a letter

44 of irrevocable credit could be used and the matter will be taken under advisement for a report
45 at the next meeting.

46

47 **Mr. Bronson moved to accept the February 2011 RCRDP Financial and Cash Flow Reports. Mr.**
48 **Radford seconded. No further discussion. Motion passed unanimously.**

49

50 **Mr. Horsch moved to enter into executive session pursuant to Idaho Code § 67-2345(d) to**
51 **review pending RCRDP loan applications. Mr. Stutzman seconded. No discussion. Roll call**
52 **vote was taken with all voting in the affirmative. Motion passed unanimously.**

53

54 The Commission moved into executive session at 8:51 a.m. Todd Wilson, Terry Hoebelheinrich,
55 Sara Schmidt, Harriet Hensley, Kristin Magruder, Bill Lillibridge and Erin Seaman were invited to
56 stay.

57

58 **Executive session ended at 10:08 a.m.**

59

60 **Break at 10:09 a.m.**

61 **Reconvened at 10:22 a.m.**

62

63 Commissioners discussed the disposition of pending RCRDP loan applications.

64

65 Loan No. 636

66 Amount: \$145,930

67 Term: 12 years

68 Rate: 3%

69 Project description: Install two center pivot irrigation systems.

70

71 **Mr. Horsch moved to approve Loan No. 636 contingent upon verifying the water rights and**
72 **the loan officer recommendations as listed on page C-7 of the loan packet. Mr. Radford**
73 **seconded. No further discussion. Motion passed.**

74

75 Loan No. 637

76 Amount: \$96,260

77 Term: 5 years

78 Rate: 2%

79 Project description: Purchase of used no-till drill.

80

81 **Mr. Radford moved to approve Loan No. 637 contingent upon the loan officer**
82 **recommendations as listed on page B-7 of the loan packet. Mr. Horsch seconded. No further**
83 **discussion. Motion passed.**

84

85 Loan No. 638

86 Amount: \$112,942

87 Term: 15 years

88 Rate: 4%
89 Project description: Install pivot irrigation system.

90
91 **Mr. Bronson moved to approve Loan No. 638 contingent upon adding the pivot, pumps and**
92 **panel as security along with a UCC-1 filing with SWC in first position as well as the loan officer**
93 **recommendations as listed on page D-9 of the loan packet. Mr. Horsch seconded. No further**
94 **discussion. Motion passed.**

95
96 Loan No. 639
97 Amount: \$80,000
98 Term: 10 years
99 Rate: 3%

100 Project description: Install irrigation system.

101
102 **Mr. Stutzman moved to approve Loan No. 636 contingent upon the terms and conditions as**
103 **recommended by the loan officer as listed on page A-7 of the loan packet. Mr. Radford**
104 **seconded. No further discussion. Motion passed.**

105
106 There was discussion about whether it would be possible to increase a borrower's loan in order
107 to allow the borrower to pay off existing high-interest revolving loans and whether such an
108 action could improve the Commission's position on the loan. After further discussion, it was
109 determined that paying off unsecured debt with secured funds would not be in the
110 Commission's best interest and would not be allowable under statute or rule. There was
111 additional discussion about various scenarios on how an agricultural producer's credit report
112 can appear artificially high on revolving balances or payments due.

113
114 The next Commission teleconference meeting is currently scheduled for April 20, 2011 at 8:00
115 a.m. Time is subject to change or adjustment.

116
117 **Mr. Horsch moved to enter into executive session pursuant to Idaho Code § 67-2345(a) to**
118 **discuss personnel matters. Mr. Stutzman seconded. No discussion. Roll call vote was taken**
119 **with all voting in the affirmative. Motion passed unanimously.**

120
121 The Commission moved into executive session at 10:51 a.m. Sara Schmidt, Harriet Hensley, and
122 Rebecca Fry, Department of Administration Human Resource Manager, were invited to stay.

123
124 **Executive session ended at 11:30 a.m.**

125
126 Chairman Flory announced that Commissioner Bronson will be the point of contact for the
127 search for a new Administrator and that applications will be accepted until April 15, 2011.
128 Commissioner Bronson will work directly with Ms. Fry and a small subcommittee to create a list
129 of finalists for all commissioners to interview. The Commissioners will meet via teleconference
130 on April 28th to review the recommendations and schedule a date for interviews in early May.

131 In the short time between Ms. Schmidt's last day on May 6th and the start of the new
132 Administrator, Bill Lillibridge of the Commission staff will be acting Administrator.

133

134 **Mr. Horsch moved to adjourn the meeting at 11:39a.m. Mr. Stutzman seconded. Motion**
135 **passed.**

136

137 Respectfully submitted,

138

139 Dick Bronson

140 Commissioner and Secretary,

141 Idaho Soil & Water Conservation Commission