



# Idaho Soil & Water Conservation Commission

650 W. State St., Room 145 • Boise Idaho 83720

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## IDAHO SOIL & WATER CONSERVATION COMMISSION

### Commission Teleconference Meeting

**May 25, 2011**

650 W. State St., Room 145, Boise Idaho

7:00 a.m. MDT

### APPROVED MINUTES

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#### COMMISSION MEMBERS PRESENT:

Bill Flory

Dwight Horsch

Dick Bronson

Roger Stutzman

Dave Radford

#### ADVISORS PRESENT:

Todd Wilson

Randy Purser

Karma Bragg

#### COMMISSION STAFF PRESENT:

Bill Lillibridge

Kristin Magruder

Terry Hoebelheinrich

Erin Seaman

#### PARTNERS AND GUESTS PRESENT:

Harriet Hensley, Deputy Attorney General

Rebecca Fry, Human Resource Officer

Terry Halbert, North Side SWCD

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1 The meeting was called to order by Chairman Bill Flory, Idaho Soil & Water Conservation  
2 Commission (SWC) member, at 7:00 a.m.

3  
4 Welcome and self-introductions followed. There was an amended draft agenda as of May 23,  
5 2011 adding the Administrator position update to be discussed in executive session. There  
6 were no other additions to the agenda.

#### 8 REVIEW OF DRAFT MINUTES

9  
10 Dick Bronson, SWC Secretary, reviewed the draft minutes for April 20 and 28, 2011 and found  
11 them to be correct.

12  
13 **Mr. Bronson moved to approve the draft minutes from the April 20 and 28, 2011 meetings.**  
14 **Roger Stutzman, SWC Member, seconded. Discussion followed. Motion passed unanimously.**

15  
16 Bronson began discussion on the proposed correction to the September 28, 2010 minutes  
17 striking the portion of page 6, line 204 stating “and a second position lien on real estate” from  
18 the motion approving loan A-634 and deferred to Dwight Horsch, SWC Vice Chair, as the maker  
19 of the motion. There was recollection that there may have been discussion about requesting  
20 that collateral from the applicant, but it would have over-collateralized the loan. Further  
21 discussion followed. Terry Hoebelheinrich, Loan Officer, advised that when the loan came up  
22 for disbursement, staff could not find any reference to there being any real estate offered on  
23 the loan either in the application, the loan packet or other correspondence or notes. Mr.  
24 Hoebelheinrich advised that the Commission is well collateralized on the loan without any real  
25 estate and the percentages are well within our policy guidelines. Further discussion followed.

26  
27 **Mr. Horsch moved to correct the September 28, 2010 minutes to strike the portion of page 6,**  
28 **line 204 stating “and a second position on real estate”. Dave Radford, SWC Member,**  
29 **seconded. No further discussion. Motion passed unanimously.**

#### 30 ADMINISTRATOR AND STAFF REPORT

31  
32  
33 Kristin Magruder, SWC staff, presented SWC financial report for March and April 2011. March  
34 2011 was 75% through the fiscal year and total expenses of \$1,763,676 is on track for 75.3% of  
35 total general fund expended. Fund balances as follows:

- 36  
37 - Personnel Costs: \$323,182 and 68.8% of funds expended  
38 - Operating Expenses: \$58,076 and 65.98% of funds expended  
39 - Trustee & Benefits: \$197,827 and 82.58% of funds expended

40  
41 April 2011 was 83% through the fiscal year and total expenses of \$1,906,550 is on track for  
42 81.4% of total general fund expended. Fund balances as follows:

- 43  
44 - Personnel Costs: \$169,329 and 83.06% of funds expended

- 45 - Operating Expenses: \$37,084 and 76.05% of funds expended
- 46 - Trustee and Benefits: \$229,698 and 80.66% of funds expended

47

48 There was a combined total of \$52,215 from personnel and operating that was rolled down to  
49 trustee and benefits for district allocations. That balance is reflected in the April financials but  
50 the allocation was not posted until May and will be reflected in the next financial report.

51

52 Ms. Magruder advised that Jordan Tollefson has submitted his resignation to take a position  
53 with Department of Environmental Quality. His last day is scheduled for May 27, 2011. She  
54 advised the Commission will see a cost savings from his salary for June 2011.

55

56 Invoices are due on all Water Quality Program for Agriculture (WQPA) projects on May 27,  
57 2011. Once staff is able to determine what is able to be paid for this fiscal year, the remaining  
58 amount will either be requested for encumbrance as previously directed or will explore the  
59 possibility of another district allocation. It should be noted that all requests are subject to  
60 approval from Division of Financial Management (DFM).

61

62 The Commission is on track for closing out the end of fiscal year 2011 and there are not any  
63 planned or estimated expenses that have not been budgeted for already. Further discussion  
64 followed.

65

66 **Mr. Horsch moved to accept the SWC financial reports for March and April 2011. Stutzman**  
67 **seconded. No further discussion. Motion passed unanimously.**

68

69 Ms. Magruder provided the Commission an update on the rulemaking for district allocations  
70 and June meeting itinerary. Second versions of the rule and guidance documents are in process  
71 of being drafted based on feedback from partners and working group and will be available for  
72 district review in the next few days. The temporary rule and guidance documents will then be  
73 presented to the Commission for review and adoption at the June 2011 meeting.

74

75 The June 2011 meeting is set and logistics have been completed. Ms. Magruder noted that the  
76 reception previously offered to be hosted by the Kootenai-Shoshone district has been cancelled  
77 and a draft agenda will be available shortly.

78

79 Mr. Radford advised that the May 26<sup>th</sup> teleconference for the strategic plan working group has  
80 been cancelled. Based on the feedback received on the draft plan, the Commission feels that  
81 additional time is needed to update the plan while trying to capture the original intent of the  
82 process to make the plan more concise and flexible as conditions change either with budgets or  
83 programs. Mr. Horsch further advised that the update will not likely be available at the June  
84 meeting. Bill Lillibridge, SWC Acting Administrator, added that there is some clarifying language  
85 that needs to be added for performance measures and benchmarks and to modify some  
86 language that the partners were concerned about. Further discussion followed. Mr. Lillibridge  
87 advised that a draft should be available for review by the July meeting and a final for approval  
88 to be presented at the August meeting. DFM has agreed to a brief extension to the submission

89 of the updated plan and staff will work on the plan concurrently with the performance  
90 measurement report and plan on a September 1<sup>st</sup> deadline.

91

92

### **RESOURCE CONSERVATION AND RANGELAND DEVELOPMENT PROGRAM**

93

94 Harriet Hensley, Deputy Attorney General, reported on the available options to invest the funds  
95 earned from the state treasurer on the RCRDP cash balance. This request was previously made  
96 at the March 22, 2011 meeting. There are two options available: the IDLE account, which is the  
97 invested for operating funds for all agencies. The second is a diversified bond fund and the  
98 treasurer's office advised that monies invested in this account would need to be in the account  
99 for at least three years and agencies should not invest any cash into this fund if they plan to use  
100 it within that time period. At the time she spoke with Shawn Nydegger at the treasurer's office,  
101 the rates were at 3.09%. He would be willing to attend a commission meeting to present the  
102 details of the fund options to the Commissioners for consideration.

103

104 Commissioners requested that staff invite Mr. Nydegger to the August 2011 meeting to provide  
105 a report on how the diversified bond fund works and options available to the Commission. The  
106 Commissioners thanked Ms. Hensley for her follow up and time in researching this issue.

107

108 Ms. Magruder presented RCRDP financial report for March and April 2011.

109

110 March 2011 beginning cash balance was \$2,649,864 and ending cash balance was \$2,961,447.  
111 Total principal payments received were \$269,448 and total interest payments received were  
112 \$47,119. Total expenses for the period were \$4,984. The 3% contingency is at \$208,668 for the  
113 period and there is \$143,548 in funds held for loans previously approved but not yet disbursed,  
114 leaving \$2,609,231 in funds available to loan.

115

116 April 2011 beginning cash balance was \$2,961,447 and ending cash balance was \$3,055,678.  
117 Total principal payments received were \$77,691 and total interest payments received were  
118 \$40,065. Total expenses for the period were \$87,257, which includes \$78,000 in loan  
119 disbursements. The 3% contingency is at \$208,677 for the period and there is \$645,148 in  
120 funds held for loans previously approved by not yet disbursed, leaving \$2,201,853 in funds  
121 available to loan.

122

123 Mr. Bronson discussed options for the 3% contingency that the Commission has traditionally  
124 held for defaulted loans or costs associated with collecting on past due accounts. Options  
125 include increasing the contingency, reducing the percentage held, or eliminating it to make the  
126 funds available to loan. Discussion followed. The issue will be added to the June meeting for  
127 discussion and further consideration.

128

129 Mr. Hoebelheinrich discussed the loan status report. There are currently 184 active loans in the  
130 system, up from 179 the previous report. There are five loans in past due status and loan staff  
131 have been in contact with all borrowers. No further action is needed at this time.

132

133 There are seven loans totaling \$316,000 that are expected to be fully funded within the next  
134 three months and up to six applications pending for the June Commission meeting. Details of  
135 the loan status report can be discussed during executive session if there are questions that are  
136 not appropriate for open session.

137

138 Randy Purser, President of the Idaho Association of Soil Conservation Districts, advised that  
139 there will be a meeting held on June 17 & 18, 2011. He will be sending out invitations with  
140 further details.

141

142 Flory thanked the partners for their time and effort to participate in the interview process for  
143 the Administrator position. Their feedback was invaluable to the Commissioners while they  
144 considered the applicants' qualifications and the process was commended by the Governor's  
145 office.

146

147 **Mr. Horsch, Vice Chair, moved to enter Executive Session for the purposes of discussing**  
148 **personnel matters and to discuss pending RCRDP loan business pursuant to Idaho Code 67-**  
149 **2345(a) and (d). Mr. Stutzman seconded. Motion passed unanimously via roll call vote.**

150

151 **Executive session began on a confidential conference call line at 8:02 a.m. to review pending**  
152 **RCRDP loan applications first followed by discussion of personnel matters related to the**  
153 **Administrator position.**

154

155 Bill Lillibridge, Terry Hoebelheinrich, Todd Wilson, Harriet Hensley, Kristin Magruder and Erin  
156 Seaman were invited to stay for the RCRDP loan business.

157

158 Rebecca Fry, Bill Lillibridge, Harriet Hensley and Kristin Magruder were invited to stay for the  
159 discussion of personnel matters.

160

161 **Executive session ended at 9:56 a.m.**

162

163 Commissioners discussed the disposition of pending RCRDP loan applications.

164

165 Loan No. A-642

166 Amount: \$183,000

167 Term: 12 years

168 Rate: 3%

169 Project description: Install center pivot and hand line irrigation system on 200 acres.

170

171 **Mr. Radford moved to approve Loan No. A-642 contingent upon the terms as stated and the**  
172 **loan officer recommendations as listed on page B-9 and B-10 of the loan packet and subject**  
173 **to verifying the water rights. Mr. Horsch seconded. Discussion followed about adding**  
174 **verification of water rights. Motion passed unanimously.**

175

176

177 Loan No. A-646  
178 Commissioners reviewed the applicant's request for an exception to the policy that requires tax  
179 returns.

180  
181 **Mr. Radford moved to table this issue to the next meeting in order to request more**  
182 **information from the applicant. Mr. Stutzman seconded. No further discussion. Motion**  
183 **passed unanimously.**

184  
185 Dave Radford was excused to attend another meeting at 10:00 a.m.

186  
187 Loan No. A-651

188 Amount: \$71,745

189 Term: 7 years

190 Rate: 2%

191 Project description: Install center pivot irrigation system on 61 acres.

192  
193 **Mr. Horsch moved to approve Loan No. A-651 contingent upon the terms as stated and the**  
194 **loan officer recommendations as listed on page C-7 and C-8 of the loan packet. Mr. Stutzman**  
195 **seconded. No further discussion. Motion passed unanimously.**

196  
197 Loan No. A-650

198 Amount: \$42,000

199 Term: 7 years

200 Rate: 2%

201 Project description: Install center pivot irrigation system on 74 acres.

202  
203 **Mr. Bronson moved to table the decision on this loan to obtain more information rather than**  
204 **placing conditions on a loan. Need information on pipeline, landlord waivers. Mr. Horsch**  
205 **seconded. No further discussion. Motion passed unanimously.**

206  
207 Chairman Flory directed Commissioners to shred their copies of the loan documents and  
208 further directed staff to resend with the next loan packet containing updated information.

209  
210 Todd Wilson, SWC Advisor from Idaho Bankers Association, recommended improving work flow  
211 between the field and the Boise office to relieve the loan officer of having to do additional steps  
212 prior to bringing the loan to the Commission for review. Commissioners agreed that the  
213 allocation of staff resources is scarce and directed loan staff to work with Mr. Wilson to identify  
214 efficiencies.

215  
216 **UPDATE ON ADMINSTRATOR POSITION**

217  
218 Commissioners directed staff to prepare a letter to all applicants thanking them for their time in  
219 applying for the Administrator position.

220

221 Ms. Fry advised the Commission that there are no issues related to the hiring of the candidate  
222 as discussed in executive session.

223  
224 **Mr. Bronson moved to appoint Teri Murrison as Administrator for the Idaho Soil & Water**  
225 **Conservation Commission subject to the conditions as discussed in executive session. Mr.**  
226 **Stutzman seconded. A roll call vote was taken with all voting in the affirmative.**

227  
228 Staff was directed to prepare the appropriate offer letter to Ms. Murrison, press releases and  
229 rejection letters to other applicants. Commissioners approved sending the offer letter  
230 electronically to Ms. Murrison.

231  
232 **Mr. Horsch moved to adjourn at 10:24 a.m. Mr. Bronson seconded. Motion passed.**

233  
234 Respectfully submitted,  
235  
236 Dick Bronson  
237 Commissioner and Secretary,  
238 Idaho Soil & Water Conservation Commission