



1320 Research Park Drive
Manhattan, Kansas 66502

MINUTES OF THE STATE CONSERVATION COMMISSION

1. The State Conservation Commission meeting was called to order by Rod Vorhees, Chairman and Area V Commissioner at 9:02 a.m., Monday, January 12, 2015, at the Kansas Department of Agriculture, 1320 Research Park Drive, Manhattan, Kansas.

2. **ATTENDANCE:**

Elected Commissioners:

Ted Nighswonger, Area I Commissioner
Andy Larson, Area II Commissioner
Brad Shogren, Area III Commissioner
John Wunder, Area IV Commissioner
Rod Vorhees, Area V Commissioner

Ex-Officio & Appointed Members:

Eric Banks, State Conservationist, USDA, Natural Resources Conservation Service (NRCS)
Dan Devlin, Director, Kansas Center for Agricultural Resources and the Environment (KCARE), K-State Research and Extension
Peter Tomlinson, Ph.D., Associate Professor, Extension Specialist for Environmental Quality Agronomy Department, Kansas State University (KSU)

Division of Conservation, Kansas Department of Agriculture Staff:

Greg Foley, Executive Director
Scott Carlson, Mined Land Reclamation Program Manager
Don Jones, Water Quality Program Manager
Steve Frost, Water Conservation Programs Manager
Hakim Saadi, P.E., Watershed & Water Supply Program Manager
Dave Jones, Conservation District Coordinator
Cathy Thompson, Program Consultant

SCC MEETING MINUTES

January 12, 2015

Page 2

Guests:

Herb Graves, State Association of Kansas Watersheds (SAKW)
Jaime Gaggero, Department of Health & Environment (KDHE)
Cara Hendricks, Department of Health & Environment (KDHE)

3. CERTIFICATION OF ELECTION:

Motion by Ted Nighswonger to certify the election to the Conservation Commission for a two-year term beginning January 1, 2015: Area II - Andy Larson, Area IV - John Wunder. Seconded by Brad Shogren. Motion carried.

4. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON OF THE COMMISSION:

Motion by Ted Nighswonger to nominate Rod Vorhees to serve as chairperson. Seconded by John Wunder. Motion carried.

Motion by Brad Shogren to nominate John Wunder to serve as vice-chairperson. Seconded by Ted Nighswonger. Motion carried.

5. ADDITIONS/CORRECTIONS TO AND APPROVAL OF AGENDA:

ADDITIONS:

11. e. Review and discuss Kansas Local Conservation Lending Program – Cara Hendricks, Jaime Gaggero, KDHE.

Motion by Ted Nighswonger to approve the amended agenda. Seconded by Andy Larson. Motion carried.

6. MINUTES OF THE PREVIOUS MEETING:

Motion by John Wunder to approve the November 23, 2014 minutes, as amended. Seconded by Ted Nighswonger. Motion carried.

7. COMMENTS FROM GUESTS:

a. Herb Graves. – Herb discussed Kansas Senate Bill 147.

SCC MEETING MINUTES

January 12, 2015

Page 3

8. FINANCIAL REPORT

Overview of the FY 2015 second quarter financial report – Steve Frost. – See Attachment A.

Motion by Brad Shogren to approve the FY 2015 second quarter financial report. Seconded by Ted Nighswonger. Motion carried.

9. COMMUNICATIONS AND ANNOUNCEMENTS:

None.

10. UNFINISHED BUSINESS:

- a. Review Conservation Reserve Enhancement Program (CREP) Annual Report – Steve Frost. – See Attachment B.
- b. Review updated SCC Spring Workshop locations – Don Jones. See Attachment C.
- c. Approve commissioner and staff out of state travel – Steve Frost.
- d. Review Conservation District audit procedure – Scott Carlson & Steve Frost. – See Attachment D.
- e. Finance & Development Committee KACD Resolution Correction – Cathy Thompson. – See Attachment E.

Motion by Andy Larson to approve the corrected FY 2016 and FY 2017 Finance & Development Committee KACD Resolution. Seconded by Brad Shogren. Motion carried.

11. NEW BUSINESS

- a. Review FY 2016 and FY 2017 Governor’s budget recommendations and other legislative activities – Greg Foley.
 - i. Budget.
- b. Review and discuss FY 2016 proposed cost-share program policy revisions - Don Jones. See Attachment F.
- c. Discuss conservation district annual meeting schedule – Greg Foley. – See Attachment G.

SCC MEETING MINUTES

January 12, 2015

Page 4

- d. Spring Workshops agenda review – Don Jones. See Attachment H.
- e. Review and discuss Kansas Local Conservation Lending Program – Cara Hendricks, Jaime Gaggero, KDHE. – See Attachment I.

Motion by Ted Nighswonger that the Commission is supportive of the concept of the proposed Local Conservation Lending Program. Seconded by Brad Shogren. Motion carried.

12. REPORTS:

a. Agency Reports:

- i. NRCS – Eric Banks. - See Attachment J.
- ii. KCARE/KWRI - Dan Devlin. None.
- iii. K-State Agronomy – Peter Tomlinson. None.

b. Staff reports:

- i. Don Jones reported that there will be 102 Conservation District Supervisors attending the No-Till on the Plains conference, 17 of them being first time attendees. He also reported on the FY 2014 DOC State Water Plan Funds. – See Attachment K.
- ii. Scott Carlson reported that he will be presenting the Governor’s Mined Land Reclamation Award to Hamm Quarries, LLC on January 16, 2015. He will also be giving a presentation on February 4, 2015 to the quarterly Agriland Committee on the Kansas Conservation Partnership application for inclusion in Agriland in 2015.
- iii. Hakim Saadi reported that the Osage City Lake restoration project is complete and the city has requested supplemental funding to dredge more and up to 250,000 cubic yards at \$10 per cubic yard. Hakim also reported on the effort of the watershed partnership (DOC, NRCS, SAKW, DWR and Pawnee WJD 81) and his assistance to DWR.
- iv. Dave Jones reported on the training of Conservation District new employees in both Greenwood and Wilson Counties.

c. Commissioner Reports:

- i. Area I – Ted Nighswonger. Reported that the snow is melting.
- ii. Area II – Andy Larson. Reported that moisture is spotty in his area.

SCC MEETING MINUTES

January 12, 2015

Page 5

- iii. Area III – Brad Shogren. Reported that he finished his corn harvest on December 27th and he is now working on streambank and irrigation projects. He also gave a PowerPoint presentation on streambank stabilization activities on the Smokey Hill River.
- iv. Area IV – John Wunder. Reported that it has been cold and they received some moisture in the late fall. He is currently working on projects with the Corp of Engineers and the Kansas Department of Wildlife, Parks and Tourism. John would also like to thank the DOC and Partners for all their hard work.
- v. Area V – Rod Vorhees. Reported that he would like the February meeting to be with the Partnership, and focus on how to accomplish their mission.

13. ADJOURN:

The next regular commission meeting is scheduled for Monday, February 23, 2015 at 9:00 a.m. at the Natural Resource Conservation Service, Manhattan Service Center, 3705 Miller Parkway, Suite A, Manhattan, Kansas.

**Motion by Andy Larson to adjourn. Seconded by Brad Shogren. Motion carried.
Meeting adjourned at 4:21 p.m.**



Greg A. Foley
Executive Director

DIVISION OF CONSERVATION, KDA - FY 2015 QUARTERLY FINANCIAL REPORT
OCTOBER 1, 2014 THROUGH DECEMBER 31, 2014

	PROGRAM/FUND	INDEX	Appropriation/ Allocation	Total Expenditures	% of Funds Expended	Funds		UNCOMMITTED BALANCE
						Committed/		
						Encumbered-Contingent		
1.	STATE GENERAL FUND - 1000							
	a. Office Operations	0053	484,447.00	256,424.00	52.9%	0.00		228,023.00
	TOTAL - STATE GENERAL FUND		\$484,447.00	\$256,424.00	52.9%	\$0.00		\$228,023.00
2.	STATE WATER PLAN FUND - 1800							
	a. Water Resources Cost-Share							
	(1) Office Operations-OOE		140,510.00	32,758.48	23.3%	0.00		107,751.52
	(2) Programming Services - CSIMS Task Order 2015-1008		25,000.00	0.00	0.0%	25,000.00		0.00
	(3) Claims - CSIMS WR Cost-Share Assistance		2,176,319.00	547,096.86	25.1%	1,390,891.11		238,331.03
	WR - TOTAL	1205	2,341,829.00	579,855.34	24.8%	1,415,891.11		346,082.55
	b. Non Point Source Pollution Control							
	(1) Office Operations - OOE		3,000.00	28.00	0.9%	0.00		2,972.00
	(2) Capital Outlay - CSIMS Oracle Database Processor		63,745.00	63,745.00	100.0%	0.00		0.00
	(3) Programming Services - CSIMS Task Order 2015-1008		25,000.00	14,275.00	57.1%	10,725.00		0.00
	(4) Professional Services - Conservation Technician Positions		200,000.00	83,754.42	41.9%	62,842.44		53,403.14
	(5) Fees - Training & Workshop No-Till Registration		22,500.00	0.00	0.0%	0.00		22,500.00
	(6) Professional Services - No-Till I&E Funds		20,000.00	10,001.02	50.0%	0.00		9,998.98
	(7) Engineering Services - TWI - Cottonwood River		8,985.46	0.00	0.0%	8,985.46		0.00
	(8) Claims - CSIMS NPS Cost-Share Assistance		1,884,706.99	549,318.44	29.1%	1,090,222.57		245,165.98
	NPS - TOTAL	1210	2,227,937.45	721,121.88	32.4%	1,172,775.47		334,040.10
	c. Aid to Conservation Districts		2,096,093.47	2,085,588.00	99.5%	0.00		10,505.47
	Aid to CD - TOTAL	1220	2,096,093.47	2,085,588.00	99.5%	0.00		10,505.47
	d. CREP/WTAP							
	(1) Office Operations - OOE		92,465.00	46,643.50	50.4%	0.00		45,821.50
	(2) Claims - CSIMS CREP Cost-Share Assistance		424,777.21	0.00	0.0%	0.00		424,777.21
	(3) Claims - WTAP Projects		38,000.00	0.00	0.0%	0.00		38,000.00
	CREP/WTAP - TOTAL	1225	555,242.21	46,643.50	8.4%	0.00		508,598.71
	e. Watershed Dam Construction							
	(1) Claims - Watershed Dam Cost-Share Assistance		99,025.00	0.00	0.0%	0.00		99,025.00
	(2) Claims - Watershed Dam Rehabilitation		484,220.00	109,550.52	22.6%	357,882.48		16,787.00
	WATERSHED PROGRAM - TOTAL	1240	583,245.00	109,550.52	18.8%	357,882.48		115,812.00
	f. KS Water Quality Buffer Initiative							
	(1) Claims - CSIMS Buffer Cost-Share Assistance		290,691.68	1,399.11	0.5%	0.00		289,292.57
	BUF - TOTAL	1250	290,691.68	1,399.11	0.5%	0.00		289,292.57
	g. Riparian and Wetland Protection							
	(1) Office Operations - OOE		300.00	150.00	0.0%	0.00		150.00
	(2) Claims - CSIMS RW Cost-Share Assistance		47,626.20	5,786.89	12.2%	0.00		41,839.31
	(3) Professional Services - KSU Riparian Forest Buffer Restoration		105,713.36	0.00	0.0%	105,713.36		0.00
	RW - TOTAL	1260	153,639.56	5,936.89	3.9%	105,713.36		41,989.31
	h. Streambank Stabilization							
	(1) Office Operations - OOE		300.00	28.00	9.3%	0.00		272.00
	(2) Claims - CSIMS SS Cost-Share Assistance		525,000.00	0.00	0.0%	0.00		525,000.00
	(3) Engineering Services - TWI - Delaware River Phase III & 4		224,700.00	0.00	0.0%	79,620.35		145,079.65
	SS - TOTAL	1290	750,000.00	28.00	0.0%	79,620.35		670,351.65
	i. Lake Restoration - Water Supply Restoration	1275	258,156.00	95,436.00	37.0%	162,720.00		0.00
	TOTAL - STATE WATER PLAN FUND		\$9,256,834.37	\$3,645,559.24	39.4%	\$3,294,602.77		\$2,316,672.36

**DIVISION OF CONSERVATION, KDA - FY 2015 QUARTERLY FINANCIAL REPORT
OCTOBER 1, 2014 THROUGH DECEMBER 31, 2014**

FEE FUND PROGRAMS	Budget Unit	Fee Deposit Accounts	Total Expenditures	% of Funds Expended	Funds		Cash Flow
					Committed/		
					Encumbered-Contingent		
1. AG Lime Program - 2118	1200	63,489.09	728.19	1.1%	0.00		62,760.90
2. KDWP&T - Conservation Technicians - 2517	2510	75,000.00	67,500.00	90.0%	0.00		7,500.00
3. KDHE - Conservation Technicians - 2517	2515	90,000.00	45,000.00	50.0%	0.00		45,000.00
4. LAND RECLAMATION FEE FUND - 2542	2090	94,634.19	69,266.20	73.2%	0.00		25,367.99
5. KDHE/EPA - FEDERAL INDIRECT FUNDS - 3889	(ON THIS ACCOUNT-MONEY IS DEPOSITED AS REPORTS ARE SUBMITTED TO KDHE)				REMAINING BAL TO REQUEST		
a. KDHE/Buffer Indirect Funds	3880	17,133.05	0.00	0.0%	0.00		17,133.05
b. KDHE/NPS Indirect Funds	3880	4,500.00	0.00	0.0%	0.00		4,500.00
TOTAL KDHE-INDIRECT FUNDS - 3889		21,633.05	0.00	0.0%	0.00		21,633.05
6. NRCS CONTRIBUTION AGREEMENTS - 3917	(ON THIS ACCOUNT-MONEY IS DEPOSITED AS REQUESTED FROM NRCS)				REMAINING BAL TO REQUEST		
a. NRCS/NPS Conservation Tech	3825	154,001.89	226.44	0.1%	0.00		153,775.45
TOTAL NRCS-TA/ENGINEERING - 3825		154,001.89	226.44	0.1%	0.00		153,775.45
b. NRCS/WQ Indirect Funds	3800	11,731.40	0.00	0.0%	0.00		11,731.40
TOTAL NRCS-INDIRECT FUNDS - 3800		11,731.40	0.00	0.0%	0.00		11,731.40
TOTAL- NRCS FUNDS - 3917		165,733.29	226.44	0.1%	0.00		165,506.85
			<i>Total Expenditures</i>	<i>Funds Expended</i>	<i>Total Encumbered</i>	<i>Cash Flow Balance</i>	
FEE FUNDS GRAND TOTAL			\$510,489.62	\$182,720.83	35.8%	\$0.00	\$327,768.79
1. *HOSPITALITY FUND - 1000	0054	122.15	122.15	0.0%	0.00		0.00

*Paid under KDA Budget

DIVISION OF CONSERVATION (AGENCY 046) ENCUMBRANCE STATUS REPORT

FISCAL YEAR	PO NO	ALL PO	AGENCY 04600 PROGRAMS	Fund	BUD UNIT	Original ALLOCATION/ENC Amount	C/O Enc Balance To FY 2015	Expenditures To Date	Remaining Balance	W/O TOLERANCE Cancelled Balance	Disposition
2012	VARIOUS	5960, 6619 & 6620	12-NPS-Engineering Services-Delaware	1800	1210	347,527.00		221,511.49	126,015.51		CONTRACT COMPLETION
2012	6022	6022	12-NPS-KSU-Forest Service-Neosho	1800	1210	12,929.52		8,444.15	4,485.37		CONTRACT COMPLETION
2012	VARIOUS	6668 & 6671	12-NPS/CSIMS - LWM Projects	1800	1210	55,400.00		20,000.00	35,400.00		CONTRACT COMPLETION
12-1210 NPS TOTALS						415,856.52	0.00	249,955.64	165,900.88	0.00	
2012	VARIOUS	5051 & 5052	12- Watershed Dam Construction	1800	1240	54,063.00		0.00	54,063.00		CONTRACT COMPLETION
12-1240 WS DAMS TOTALS						54,063.00	0.00	0.00	54,063.00	0.00	
2012	6684	6684	12-RW-Engineering Services	1800	1260	136,667.92		59,785.17	76,882.75		CONTRACT COMPLETION
2012	5947	5947	12-RW-KSU-Forest Service	1800	1260	27,497.71		20,288.60	7,209.11		CONTRACT COMPLETION
2012	4378	4378	12-RW-KSU-Forest Service	1800	1260	4,800.00		357.00	4,443.00		CONTRACT COMPLETION
12-1260 RW TOTALS						168,965.63	0.00	80,430.77	88,534.86	0.00	
FY 2012 SWPF GRAND TOTAL						638,885.15	0.00	330,386.41	308,498.74	0.00	
2013	8170	8170	13-Webelan - Task Order 2013-055	1800	1205	24,000.00		23,961.33	38.67	38.67	CONTRACT COMPLETION
2013	10902	10902	13-WR/CSIMS Cost-Share Contracts	1800	1205	606,029.93		376,655.75	229,374.18		CONTRACT COMPLETION
13-1205 WR TOTALS						630,029.93	0.00	400,617.08	229,412.85	38.67	
2013	10906	10906	13-NPS/CSIMS Cost-Share Contracts	1800	1210	439,831.75		298,856.87	140,974.88		CONTRACT COMPLETION
13-1210 NPS TOTALS						439,831.75	0.00	298,856.87	140,974.88	0.00	
2013	VARIOUS	6954, 6958 & 8106	13-Watershed Dam Construction	1800	1240	278,656.00		114,000.00	164,656.00		CONTRACT COMPLETION
13-1240 WS DAMS TOTALS						278,656.00	0.00	114,000.00	164,656.00	0.00	
2013	10084	10084	13-RW-KSU-Forest Service	1800	1260	97,745.87		57,033.70	40,712.17		CONTRACT COMPLETION
13-1260 RW TOTALS						97,745.87	0.00	57,033.70	40,712.17	0.00	
2013	7351	7351	13-Lake Restoration-City of Osage City	1800	1275	483,635.00		483,635.00	0.00		CONTRACT COMPLETION
13-1275 WSRP TOTALS						483,635.00	0.00	483,635.00	0.00	0.00	
FY 2013 SWPF GRAND TOTAL						1,929,898.55	0.00	1,354,142.65	575,755.90	38.67	
2014	14690	14690	14-WR - Irrigation Water Probe -WR-TA-KSU-2014-1	1800	1205	4,000.00		0.00	4,000.00		CONTRACT COMPLETION
2014	15024	15024	14-WR/CSIMS Cost-Share Contracts	1800	1205	585,407.05		355,119.82	230,287.23		CONTRACT COMPLETION
14-1205 WR TOTALS						589,407.05	0.00	355,119.82	234,287.23	38.67	
2014	12950	12950	14-NPS-Engineering Services	1800	1210	61,105.76		45,689.49	15,416.27		CONTRACT COMPLETION
2014	VARIOUS	13624 & 14589	14-NPS-Poultry Litter	1800	1210	67,584.00		39,857.00	27,727.00		CONTRACT COMPLETION
2014	15032	15032	14-NPS/CSIMS Cost-Share Contracts	1800	1210	458,528.05		191,332.20	267,195.85		CONTRACT COMPLETION
14-1210 NPS TOTALS						587,217.81	0.00	276,878.69	310,339.12	0.00	
2014	VARIOUS	11624, 12309, 12366, 12579, 12795, 12797, 12991, 12992, 12993 & 14652	14- Watershed Dam Construction	1800	1240	379,896.98		83,664.00	296,232.98		CONTRACT COMPLETION
14-1240 WS DAMS TOTALS						379,896.98	0.00	83,664.00	296,232.98	0.00	
2014	VARIOUS	14651, 14686, 14687 & 14688	14-RW-KSU-Forest Service	1800	1260	170,362.34		994.60	169,367.74		CONTRACT COMPLETION
14-1260 RW TOTALS						170,362.34	0.00	994.60	169,367.74	0.00	
2014	12406	12406	14-Lake Restoration-City of Osage City	1800	1275	286,868.00		286,868.00	0.00		CONTRACT COMPLETION
14-1275 RW TOTALS						286,868.00	0.00	286,868.00	0.00	0.00	
FY 2014 SWPF GRAND TOTAL						2,013,752.18	0.00	1,003,525.11		0.00	
2015	VARIOUS		15-WR/ADMIN-OOE	1800	1205	0.00		0.00	0.00		CONTRACT COMPLETION
2015	15578	15578	15-Webelan 2015-1008	1800	1205	25,000.00		0.00	25,000.00		CONTRACT COMPLETION

15-1205 WR TOTALS					25,000.00	0.00	0.00	25,000.00	0.00	
2015	15578	15578	15-Webelan 2015-1008	1800	1210	25,000.00		14,275.00	10,725.00	CONTRACT COMPLETION
2015	15545	15545	15-NPS/Engineering	1800	1210	8,985.46		0.00	8,985.46	CONTRACT COMPLETION
2015	10906	10906	15-NPS/CD Cons. Tech	1800	1210	146,596.86		83,754.42	62,842.44	CONTRACT COMPLETION
15-1210 NPS TOTALS						180,582.32	0.00	98,029.42	82,552.90	0.00
2015	VARIOUS	15097, 15240, 15992, 15993, 15994, 15995, 15996, 15997, 15998, 15999 & 16000	15-Watershed Dam Construction	1800	1240	434,894.30		77,011.77	357,882.53	CONTRACT COMPLETION
15-1240 WS DAMS TOTALS						434,894.30	0.00	77,011.77	357,882.53	0.00
2015	10084	10084	15-RW-KSU-Forest Service	1800	1260	105,713.36		0.00	105,713.36	CONTRACT COMPLETION
15-1260 RW TOTALS						105,713.36	0.00	0.00	105,713.36	0.00
2015	15098	15098	15-Lake Restoration-City of Osage City	1800	1275	258,156.00		95,436.00	162,720.00	CONTRACT COMPLETION
15-1275 WSRP TOTALS						258,156.00	0.00	95,436.00	162,720.00	0.00
2015	16515	16515	15-SS/ Engineering	1800	1290	79,620.35		0.00	79,620.35	CONTRACT COMPLETION
15-1290 SS TOTALS						79,620.35	0.00	0.00	79,620.35	0.00
FY 2015 SWPF GRAND TOTAL						1,083,966.33	0.00	270,477.19	813,489.14	0.00

RECEIPT ACCOUNTS

FISCAL YEAR	PO NO	PROGRAMS	Funds	BUD UNIT	Original ALLOCATION/ENC Amount	C/O Enc Balance To FY 2015	Expenditures To Date	Remaining Balance	W/O TOLERANCE Cancelled Balance	Disposition
2014	14199	14199	2542	2090	95,200.00		23,000.00	72,200.00		CONTRACT COMPLETION
2014	13211	13211	2118	1200	650.00		468.75	181.25		CONTRACT COMPLETION
2015	VARIOUS	15353, 15355, 15356, 15357, 15359, 15360, 15361, 15363 & 15414	2517	2510	75,000.00		67,500.00	7,500.00		CONTRACT COMPLETION
2015	VARIOUS	15353, 15355, 15356, 15357, 15359, 15360, 15361, 15363 & 15414	2517	2515	50,000.00		45,000.00	5,000.00		CONTRACT COMPLETION
2015	VARIOUS	15353, 15355, 15356, 15357, 15359, 15360, 15361, 15363 & 15414	3917	3825	164,800.00		1,798.29	163,001.71		CONTRACT COMPLETION
NRCS WQ TOTAL					385,650.00	\$0.00	\$137,767.04	\$247,882.96	\$0.00	
AGENCY04600-GRAND TOTAL					1,469,616.33	\$0.00	\$408,244.23	\$1,061,372.10	\$0.00	

1/16/2015

**STATE CONSERVATION COMMISSION
FISCAL YEAR 2014 - ENCUMBRANCE STATUS REPORT**

FISCAL YEAR	PO NO		AGENCY 63400		Original ALLOCATION/ENC Amount	C/O Enc Balance To FY 2015	Expenditures To Date	Remaining Balance	W/O TOLERANCE Cancelled Balance	Disposition
			BUD UNIT	PROGRAMS						
2007	4	1.	Spring Creek WJD 16 Rehab	1240	88,720.00	88,720.00	0.00	88,720.00	0.00	CONTRACT COMPLETION
			07-SWPF TOTALS		88,720.00	88,720.00	0.00	88,720.00	0.00	
2008	11	2	WTAP-LarryTurner (10yrs-annual pm)	1215	58,119.60	24,908.40	33,211.20	24,908.40	0.00	TEN YEAR CONTRACT
			08-SWPF TOTALS		58,119.60	24,908.40	33,211.20	24,908.40	0.00	
2009	22	3.	Little Walnut Hickory WJD 18	1240	56,947.00	56,947.00	0.00	56,947.00	0.00	CONTRACT COMPLETION
2009	24	5.	WRSI: Washington CO Rural Dist 1-Washington Lake	1275	789,069.00	682,076.23	106,992.77	682,076.23	0.00	CONTRACT COMPLETION
			09-SWPF TOTALS		846,016.00	739,023.23	106,992.77	739,023.23	0.00	
2011	114	7.	WTAP-Glen Boeckman (5 yrs-annual pm)	1215	67,936.09	13,587.22	54,348.87	13,587.22	0.00	FIVE YEAR CONTRACT
			11-SWPF TOTALS		67,936.09	13,587.22	54,348.87	13,587.22	0.00	
AGENCY 63400-SWPF GRAND TOTAL					1,060,791.69	\$866,238.85	\$194,552.84	\$866,238.85	\$0.00	

1320 Research Park Drive
 Manhattan, Kansas 66502
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Jackie McClaskey, Secretary

Governor Sam Brownback

CREP Program Summary October 1, 2013 – September 30, 2014

CREP County Offer Totals as of September 29, 2014

County	Total Acres
BT, ED, FO, HM, RI, SF	0
FI	2110.5
GY	6701.3
KE	6581.7
PN	372.4
Program Total to Date	15765.9

- 15,765.9 acres have been approved for enrollment.
- 143 wells retired on 15,469 irrigated acres.
- 31,965 acre-feet of annual water appropriation rights have been permanently retired.
- 93 state contracts approved for a total of \$947,947 in cost-share.
- 99% are CP2 practice code (native grasses) and 89% are Tier 1 / Tier 1 unsuitable soils

The total project limit is currently 28,950 acres with an individual county cap of 7,237.5 acres.

CRP enrollment was suspended by FSA several times during the 2013 – 2014 program year due to Congressional actions related to passing a new Farm Bill. No new offers were received during this fiscal year. FSA has just again approved additional rental rate increases. All project HUCs now reflect rental rates of \$153 - \$193 per acre on irrigated land (recently increased from \$110 - \$140, which was increased from the very first rates of \$100 - \$125).

The State of Kansas will also have to raise its payments to landowners to meet the CREP MOA requirement to maintain a 10% match of the program costs with direct cash. The current incentive payments of \$62/ acre (Tier 1 soils) and \$35/acre (Tier 2 Soils) will likely have to be raised to about \$95 and \$54 (53%). A similar increase in indirect match will also be necessitated.

With a 2014 Farm Bill Adoption, the FSA’s CREP requirements on cropland and irrigation eligibility shifted from 1996 – 2001 to 2008 – 2013. The State of Kansas is now needs to amend its water use eligibility period from 2001 – 2005 to 2009 – 2013 (or a rolling five year window).

To accommodate possible future expansion of county acreage caps, FSA has suggested revised MOA wording as follows: "FSA State Committee may, in consultation with Kansas Department of Agriculture, Division of Conservation, establish maximum total acreage enrollment levels for any or all counties in the CREP project area. Fully eligible offers will be accepted for CRP contracts on a first-come, first-served basis." instead of the current "No more than 7,238 acres can be enrolled at anyone time under this agreement in Kansas. Fully eligible offers will be accepted for CRP contracts on a first-come, first-served basis." In order to be implanted, this language would also have to be approved by our legislature in an annual appropriations bill at some time in the future. **However, the most immediate program goal, is to stimulate more activity in counties that have so far had little enrollment.**

Enrollment has had several peaks and valleys since the project start date on December 20, 2007. A very large peak occurred upon the initial program rollout, and another small peak occurred in October 2011 after irrigated rental rates had been raised by FSA. Enrollment has been very slow again during the severe drought years of 2012 and 2013.

Program Year	2008	2009	2010	2011	2012	2013	2014	
Total Acres	6,377	4,011	378	247	4,079	673	0	15,765

The drought seems to be the biggest current issue in the program regarding enrollment of water rights, and establishment / maintenance of grass stands. Water levels in the project area have been significantly affected due to increased pumping to make up precipitation deficits. The summer of 2014 saw a return to more “normal” rainfall patterns in Southwest Kansas which seems to have had a drastic impact on land covers in the sandhill areas. Crop / commodity and land prices are de-escalating again, and this may also elicit some additional program interest.

If / when these proposed program adjustments are made, DOC will be prepared to provide another round of direct mailing letters and public notices to landowners within the project area who appear to have eligible water rights.

DOC currently has a FY2015 budget allocation of \$555,242 which must be shared with WTAP.

Gray County Fields



May 8, 2014



May 8, 2014



August 26, 2014



August 26, 2014

Kearny County Field



August 2, 2013



May 8, 2014



May 8, 2014



August 26, 2014

Kearny County Field



May 2, 2012



May 8, 2014



Kearny County Field



May 8, 2014



Spring, 2014



May 8, 2014



August 26, 2014



August 26, 2014



One of the original McFarland plantings, Gray County – August 26, 2014



Tom White, Southeast Kearny County – September 9, 2014

*State / Federal Match Summary

January 12, 2015

	2008	2009	2010	2011	2012	2013	2014	ACCUM TOTAL	2015 (?)
DOC Payments	439,901	116,122	93,916	15,320	245,011	37,677	0	947,947	
Other KS Direct	143,089	673,670	1,576,507	1,278,249	336,275	336,285	49,134	4,393,209	
Total KS Direct	582,990	789,792	1,670,423	1,293,569	581,286	373,962	49,134	5,341,156	
KS Indirect	651,988	412,286	374,911	318,747	302,160	286,771	357,304	2,704,167	
Total KS Direct & Indirect	1,234,978	1,202,078	2,045,334	1,612,316	883,446	660,733	406,438	[7,840,302]	
ACCUM KS Direct & Indirect		2,415,728	4,277,367	5,889,685	6,773,131	7,433,864	7,840,302	7,840,302	
ACCUM Federal				19,667,225	21,274,225	22,464,790	37,778,967	37,778,967	
10% of federal								3,777,896	
20% of federal								7,555,793	

*in dollars

DRAFT

AMENDMENT TO THE REVISED MEMORANDUM OF AGREEMENT

BETWEEN

THE UNITED STATES DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION

AND

THE STATE OF KANSAS

CONCERNING THE IMPLEMENTATION OF
THE UPPER ARKANSAS RIVER
CONSERVATION RESERVE ENHANCEMENT PROGRAM

I. PURPOSE

The purpose of this amendment to the Revised Memorandum of Agreement (Agreement) signed on June 9, 2011 between the U.S. Department of Agriculture, the Commodity Credit Corporation, and the State of Kansas, is to provide for: 1) updating program elements regarding the irrigated cropland requirements for land to be eligible for enrollment under this program; 2) providing flexibility to individual county enrollment caps established in this program; 3) increasing state commitments regarding the rate of State Upfront Payment (SUP) on irrigated lands enrolled in this program; and 4) updating the name of the state agency administering this program.

IV. PROGRAM ELEMENTS

IV. PROGRAM ELEMENTS, paragraph H(4), second and fourth bullet points, are amended to update the time period of analysis regarding additional cropland requirements (2001 -2005), and so are revised to read as follows:

- The reported water use on the offered irrigated acreage may not have exceeded the maximum annual quantity authorized by the water right in the most recent five year period for which irrigation water use reports are approved and made available by the Kansas Department of Agriculture, Division of Water Resources. The water right shall not have been the subject of enforcement sanctions by the Kansas Department of Agriculture, Division of Water Resources during the most recent five year period preceding offer submission.

- At least fifty percent (50%) of the maximum annual quantity authorized to be diverted under the water right appropriation under the Kansas Water Appropriation Act, K.S.A. 82a-701 *et seq.*, must have been reported used in any three years within the most recent five year period for which irrigation water use reports are approved and made available by the Kansas Department of Agriculture, Division of Water Resources; and

IV. PROGRAM ELEMENTS, paragraph K, is amended to providing flexibility to previously established individual county enrollment caps of 7,238 acres, and so is revised to read as follows:

K. The FSA State Committee may, in consultation with Kansas Department of Agriculture, Division of Water Resources, establish maximum total acreage enrollment levels for any or all counties in the CREP project area. Fully eligible offers will be accepted for CRP contracts on a "first-come, first-approved" basis.

VI. STATE COMMITMENTS

VI. STATE COMMITMENTS, paragraph A (1), is amended to increase the rate of State Upfront Payment (SUP) on irrigated lands enrolled in this program (\$62 and \$35), and so is revised to read as follows:

(1) A one-time State Upfront Payment (SUP) of ninety-seven dollars (\$97) per irrigated acre located in the Tier 1 area identified in the attachments, and per irrigated acre in other areas where the enrollment is considered nonetheless a Tier 1 enrollment under the terms of this paragraph, and fifty-five dollars (\$55) per irrigated acre considered a Tier 2 enrollment (because it is not considered a Tier 1 enrollment), based on the dominant tier applicable to the CRP contract area.

VI. STATE COMMITMENTS, paragraph G, is amended to revise the name of the state agency administering this program (formerly the "Kansas State Conservation Commission," and now reorganized as the "Kansas Department of Agriculture, Division of Conservation"), and so is revised to read as follows:

G. Establish an Enhancement Program Steering Committee that will include representatives from the Kansas Water Office, Kansas Department of Agriculture's Division of Water Resources, Kansas Department of Agriculture's Division of Conservation, Kansas Department of Wildlife and Parks, and Kansas Department of Health and Environment, and as agreed to by USDA, the Farm Service Agency and the Natural Resources Conservation Service. In addition, the Kansas Water Office will consult with the Kansas Water Authority and the Upper Arkansas River Basin Advisory Committee as citizen representatives. This group will provide recommendations to Kansas and USDA on UAR CREP policies, implementation and operations consistent with all applicable laws.

VI. STATE COMMITMENTS, paragraph K, is amended to revise the name of the state agency administering this program, (formerly the “**Kansas State Conservation Commission**,” and now reorganized as the “Kansas Department of Agriculture, Division of Conservation”), and so is revised to read as follows:

K. Within 90 days after the end of each Federal fiscal year, the **Kansas Department of Agriculture’s Division of Conservation** will provide a report to FSA summarizing the status of enrollments under this CREP and progress on fulfilling the goals listed in section II and other commitments of the program. The annual report to FSA will include level of program participation, water right terminations and water savings, the results of the annual monitoring program, a summary of non-Federal CREP program expenditures, success stories, and recommendations to improve the program. In the event that Kansas has not obligated 20 percent of the overall costs for the UAR CREP program, Kansas may be required by CCC to fulfill that obligation within 90 days, or provide some other mutually agreed-upon remedy.

IT IS SO AGREED:

FOR THE UNITED STATES DEPARTMENT OF AGRICULTURE AND THE COMMODITY CREDIT CORPORATION

BY: _____ DATE: _____
J. Michael Schmidt
Deputy Administrator for Farm Programs
U.S. Department of Agriculture
Chairman of the Board
Commodity Credit Corporation

FOR THE STATE OF KANSAS

BY: _____ DATE: _____
Honorable Sam Brownback
Governor of the State of Kansas

**UPPER ARKANSAS RIVER
CONSERVATION RESERVE ENHANCEMENT PROGRAM
PERFORMANCE REPORT
BY THE
STATE OF KANSAS
October 1, 2013 – September 30, 2014**



Turbine generators harvest renewable energy as a field of CRP grass sways in the wind at a successful CREP field near Ingalls, Kansas on August 26, 2014



Table of Contents

Executive Summary	1
Overview	2
History	2
Kansas-Colorado Arkansas River Compact	2
CREP Steering Committee	3
CREP Project Implementation Summaries	4
Outreach	5
Technical Assistance	6
Agency and Organization Cooperation	7
Land Conserved	9
Water Conserved	10
Groundwater Monitoring and Activities	11
Annual Irrigation Water Use in CREP Area: 2007 - 2013	12
Summary of Non-Federal Program Expenditures	13
Progress on Program Objectives	14
Figure 1: Map of CREP Eligible Project Area	9
Figure 2: Map of CREP Retired Water Rights	10
Figure 3: CREP Water Quality and Water Level Monitoring	11
Attachment A: CREP Brochure & Outreach Poster	19
Attachment B: Outreach Schedule	22
Attachment C: Process for Implementing CREP in Kansas	24
Attachment D: Land Enrolled in CREP	28
Attachment E: Monitoring Wells and Average Groundwater Levels	31
Attachment F: Steering Committee Meeting Minutes	33

For additional information, contact:

Steve Frost, CREP Coordinator
Kansas Department of Agriculture, Division of Conservation
1320 Research Park Drive Manhattan, Kansas 66502
(785) 564-6622; <http://agriculture.ks.gov/divisions-programs/division-of-conservation>

Executive Summary

The Conservation Reserve Enhancement Program (CREP) in Kansas is a federal / state partnership created for enhancing water conservation efforts along the Upper Arkansas River corridor from Hamilton County to Rice County. The Upper Arkansas River (UAR) CREP has been officially approved and operating for seven years; this annual report provides a synopsis of the implementation activities and progress to date.

CREP is an “enhanced” version of the Conservation Reserve Program (CRP) in which the Farm Service Agency (FSA) of the United States Department of Agriculture (USDA) and the State of Kansas have mutually agreed to address specialized natural resource concerns. The Natural Resources Conservation Service (NRCS) is USDA’s provider of technical services to producers who are implementing FSA’s CREP contracts in the field. The Kansas Department of Agriculture’s Division of Conservation (DOC) is the primary coordinator of the program in concert with numerous other state, local, and private partners including the Kansas Department of Agriculture’s Division of Water Resources; Kansas Water Office; Kansas Department of Wildlife, Parks and Tourism; Kansas Department of Health and Environment; Kansas Geological Survey; Kansas State University; Groundwater Management District Nos. 3 and 5; and Pheasants Forever.

The Upper Arkansas River CREP is a voluntary, incentive-based program allowing producers to enroll eligible irrigated acres in targeted areas for 14-15 year contracts with FSA, permanently retire the associated state water rights on the enrolled acres, and establish an approved land cover (typically a native grass) on the same acreage. The producer receives an annual rental payment, plus additional cost share opportunities for specific conservation practices from FSA plus an upfront incentive payment from DOC.

Groundwater is the dominant source of water for all uses in the basin, and aquifer declines are a serious concern. Therefore, water conservation is the main management objective in the Upper Arkansas CREP. The program also provides other resource benefits including soil conservation, water quality protection, wildlife habitat enhancement, and energy savings. The majority of irrigated acres enrolled have been on highly erodible, sandhills soils that are unsuitable for dryland farming.

One of the most significant merits of the program to date has been establishing cover on these highly erodible lands. The extremely sandy and fragile, windblown soils of the sandhills will be very difficult to re-vegetate when irrigation is no longer possible when crop production ceases due to groundwater declines. The CREP program has provided these producers a viable option, financial opportunity and incentive for starting native grass stands and other conservation covers while limited irrigation water is still available.

As of September 30, 2014, a total of 93 state CREP contracts on 15,765 acres have been approved by the State of Kansas. These contracts have resulted in the permanent retirement of 31,965 acre-feet of annual water appropriation on 108 water rights from 143 wells. The contracts represent a total of \$947,947 in state sign-up payments to producers over the past seven years. These payments are matched by total annual producer payments from FSA totaling about \$1,507,000 per year over the 14 – 15 year life of the CREP contracts. The State of Kansas has again met its financial commitment to provide at least 20 percent of the federal costs of the program through a combination of direct payments, technical assistance and in-kind contributions with at least 10 percent coming from direct cash match. Since December 6, 2007, a total of \$7,840,302 from state, local and private expenditures has been made in support of the CREP project to match a total of \$37,778,967 federal program costs.

No new offers were received during this fiscal year. The drought seems to be the biggest current issue in the program regarding enrollment of water rights, as well as the associated establishment / maintenance of grass stands. However, the summer of 2014 provided a return to near normal precipitation patterns. Crop and commodity prices are de-escalating again, and this may generate some additional program interest. FSA has approved additional rental rate increases for landowners. In order to continue implementation, financial and policy adjustments are necessary from the State of Kansas.

Overview

The 2007 and 2008 Kansas Legislature approved funding for an Upper Arkansas River Conservation Reserve Enhancement Program (UAR CREP). CREP is a USDA program that creates individual rules and special conditions and rates for a geographic region or watershed. The USDA and the KWO worked with USDA's FSA and NRCS to develop and launch the program. A Memorandum of Agreement (MOA), signed by Kansas Governor Kathleen Sebelius on November 27, 2007, and by Acting USDA Secretary Charles Conner on December 4, 2007, officially established the Kansas UAR CREP.

The UAR CREP is a voluntary program that provides incentives and cost sharing to participants who enroll their land into eligible conservation practices such as native vegetation establishment or wildlife conservation for a period of 14 to 15 years. The CREP area lies within 10 counties along the Arkansas River corridor, covering 1,571,440 acres. In the CREP area, 718,683 acres were authorized for groundwater irrigation prior to program start-up. Another approximate 10,680 acres are authorized for irrigation from surface water. Reducing irrigation demands on the stream-aquifer system will help slow the aquifer declines, mitigate the spread of saline waters into the aquifer, and help restore stream and riparian health. The state sought to enroll up to 20,000 acres into the program under the first MOA - 17,000 acres of irrigated land, and 3,000 dryland corners from irrigated circles. In 2011, FSA approved an expansion of the total project size to 28,950 acres with a target goal of 25,950 irrigated acres to be enrolled.

History

The CREP project area lies within the upper Arkansas River basin. Overall, the target area includes portions of ten counties (Hamilton, Kearny, Finney, Gray, Ford, Edwards, Pawnee, Stafford, Barton and Rice counties) and two groundwater management districts (Southwest Kansas Groundwater Management District No. 3 (GMD3) and Big Bend Groundwater Management District No. 5 (GMD5) along the river corridor. The 1,571,440 acre project area has hydrologic interaction with the Arkansas River due to surface flow and groundwater pumping. The main water sources for producers within the project area are local stream / river surface waters, and the alluvial and High Plains aquifers. The Arkansas River flows from headwaters in the Rocky Mountains, and has been diverted for more than 100 years for irrigation in Colorado and Kansas. The river and groundwater system has had several decades of well-documented flow depletions entering the state of Kansas, and groundwater declines in the aquifer are resulting in loss of base flow to the river, decline in well yields, and in some locations, degradation of groundwater quality.

The Arkansas River is a resource of state and national concern for both water quantity and water quality. The flow into Kansas is extensively controlled though releases from the John Martin Reservoir in eastern Colorado, and is managed through the Arkansas River Compact Administration. Reduced flows as the river entered Kansas, in violation of the compact, have historically resulted in stream flow depletion, groundwater declines, and economic damage. The river is also one of the most saline in the nation where it enters Kansas, a result of the extensive concentration of salts occurring from irrigation use and reuse. The declining flows and deteriorated water quality threaten the viability of this important surface water source in western Kansas. Correlated with the reduced flow and increasing salinity of the river is the degradation of riparian health and wildlife habitat. Native plant communities have declined, and there has been an extensive and aggressive infestation of tamarisk and other non-native phreatophytes.

Kansas-Colorado Arkansas River Compact

The Kansas-Colorado Arkansas River Compact (Compact) was negotiated in 1948 between Kansas and Colorado with participation by the federal government. Its stated purposes are to settle existing disputes and remove causes of future controversy between Colorado and Kansas concerning the waters of the Arkansas River, and to equitably divide and apportion between Colorado and Kansas the waters of the Arkansas River as well as the benefits arising from John Martin Reservoir.

Kansas filed an original action in the United States Supreme Court, *Kansas v. Colorado*, No. 105, in 1985 to enforce the terms of the Compact. In 1994, a Special Master appointed by the Court, Arthur J. Littleworth, recommended that the Court determine that Colorado had violated Article IV-D of the Compact by means of post-compact well pumping in Colorado. On May 15, 1995, the Supreme Court agreed. Colorado paid Kansas more than \$35.1 million in damages for Colorado's Compact violations. This money has been deposited in three funds created by statute that specify generally how and where the money will be spent. The acceptable uses of two of these funds are consistent with UAR CREP objectives, while the third is for future litigation. The Water Conservation Projects Fund, now known as the Western Water Conservation Projects Fund after transfer to GMD No., must be applied to projects within a portion of the CREP area.

The Special Master's fifth and final report to the Supreme Court in January 2008, and the Supreme Court "Judgment and Decree" entered on March 9, 2009, provided that the Supreme Court would retain jurisdiction for a limited period while the states evaluated the sufficiency of the 1996 Colorado Use Rules.

As a result of that evaluation, modifications of the initial judgment and decree were jointly developed by Kansas and Colorado based on decisions by the Special Master and the United States Supreme Court. The decree contains several appendices, such as the hydrologic-institutional model and accounting procedures, which will be used to determine if Colorado is in compliance. The states submitted a modified appendix to the Supreme Court on August 4, 2009, bringing an end to the retained jurisdiction.

CREP Steering Committee

The Upper Arkansas River CREP Steering Committee consists of the Kansas Water Office; the Kansas Department of Agriculture, Division of Conservation; the Kansas Department of Agriculture, Division of Water Resources; the Kansas Department of Wildlife, Parks and Tourism; the Kansas Department of Health and Environment; and the Kansas Geologic Survey. These state agencies are joined by the Farm Services Agency, Natural Resources Conservation Service, Groundwater Management Districts Nos. 3 and 5, and Pheasants Forever (Attachment F).

The steering committee met on September 29, 2014 (Attachment F). Some members attended in the KDA conference room with others participating via teleconference. The purpose of the steering committee was reviewed and the committee was provided an update of the current enrollment.

No new offers were received during this fiscal year. CRP enrollment was suspended during most of the 2013–2014 program year due to Congressional delays of passing a new Farm Bill. FSA has just again approved additional rental rate increases. All project HUCs now reflect rental rates of \$153 - \$193 per acre on irrigated land (recently increased from \$110 - \$140, increased from the very first rates of \$100 - \$125).

The drought seems to be the biggest current issue in the program regarding enrollment of water rights, as well as the associated establishment / maintenance of grass stands. Water levels in the project area have been significantly affected due to increased pumping to make up precipitation deficits. Crop / commodity and land prices are de-escalating again, and this may also help to elicit some additional program interest.

Enrollment has had several peaks and valleys since the project start date on December 20, 2007. A very large peak occurred upon the initial program rollout, and another small peak occurred after irrigated rental rates had been raised by FSA in 2011. **Enrollment has been very slow again during the severe drought years of 2012 - 2014.** Even though precipitation patterns returned to more of a normal summer in 2014, producers were apparently cautiously reluctant to consider enrolling any additional acres prior to the field working season.

Program Year	2008	2009	2010	2011	2012	2013	2014	
Total Acres	6,377	4,011	378	247	4,079	673	0	15,765

The steering committee was informed of the efforts that Kansas is undertaking to increase interest and enrollment in CREP. If / when these proposed program adjustments are made, DOC will be prepared to provide another round of direct mailing letters and public notices to landowners within the project area who appear to have eligible water rights. 2,470 qualifying water rights are still potentially eligible for enrollment in the project area. The total project limit is 28,950 acres with an individual county cap of 7,237.5 acres.

It was again noted that some monitoring activities of the CREP are still premature for the agencies to significantly undertake at this time, or to determine any significant changes in results or impacts due to the CREP project. Even though enrollment is steadily increasing, almost the entirety of the enrollment has been located in areas of the "Tier 1 / Unsuitable Soils" which will require continued limited irrigation for another couple of years to establish the vegetative cover. Therefore, there has not yet been substantial water use curtailment to record measurable differences given the enormous amount of irrigation historically established in the area.

The input of the Steering Committee on the success of the CREP program and ways to improve it will become more valuable, as more acres enroll and the impact of the water right retirements and land in a conservation practice begin to become measurable.

CREP Project Implementation Summaries

The CREP program is designed to protect water quality and extend the usable life of the of the High Plains aquifer by establishing conservation practices and retiring the associated water rights on irrigated project lands in Barton, Edwards, Finney, Ford, Gray, Kearny, Pawnee, Rice and Stafford counties. Hamilton County was previously ineligible for the program because it was at a maximum level of acres that could be enrolled in a Conservation Reserve Program (CRP). FSA rules regarding the maximum allowable acres specifically pertaining to CREP program enrollment were changed in 2011. Therefore, Hamilton County is now officially eligible for the program. The Kansas Legislature approved the enrollment limit up to a maximum of 40,000 acres. However, the program cap with FSA was initiated at the 20,000 acre level to stay within a legislative stipulation which allows only one acre of land to be enrolled in CREP for every two acres of current CRP contracts which expire annually. This project cap has since been increased to 28,950 acres.

CREP applications are typically made in the county where the land is located, and all applications are considered on a first-come, first-served basis. Farmers who enroll irrigated cropland in the program and permanently retire their water rights will receive rental payments for 14 to 15 years at rates between \$110 and \$140 per acre per year. Rates vary depending on the Hydrologic Unit Code (HUC) and irrigation system currently in place. Cost-share funds and monetary incentives are available for seeding and well plugging on enrolled land. As a part of CRP, CREP acres are subject to normal FSA haying, grazing, burning, and other management provisions, and they can also be leased for hunting. Producers receive an upfront signing bonus from the state of either \$62 per irrigated acre (Tier 1 Soils) or \$35 per irrigated acre (Tier 2 soils).

The current goals of the UAR CREP are to enroll up to 28,950 acres of eligible cropland within the designated area to significantly reduce the amount of irrigation water consumptively used. Water quality will be improved through the reduction of agricultural chemicals and sediment entering waters from agricultural lands, and thereby impeding the spread of poor quality river water into the fresh alluvial and High Plains aquifers. Through permanent retirement of water rights appurtenant to the lands enrolled in CREP and the establishment of conservation covers and other resource management practices, the reduction of water consumption and non-point source contaminants will slow aquifer declines, moderate the loss of base flow, enhance associated wildlife habitat (both terrestrial and aquatic), and conserve energy.

Successfully meeting the goals and objectives of the UAR CREP involves interagency cooperation and adherence to a coordinated implementation plan. The implementation plan covers each agency's

responsibility and the step-by-step process for outreach, processing applications, providing technical assistance, and monitoring success.

The UAR CREP is being implemented through continuous signup on a first come, first priority basis, until a county reaches the CREP program maximum for enrolled acres or the federal limit on CRP acreage enrolled in any one county. The application enrollment pattern in the first year demonstrated high interest in December of 2007, and in January / February of 2008, with a peak of more than 13,000 acres offered for enrollment. By March 2008, inquiries slowed, as most landowners had already made decisions on their land if a crop was to be planted during the upcoming season. A number of applications were subsequently withdrawn as some land was sold. Others were also withdrawn as crops were put in, as 2008 was a year of very high commodity prices and escalating land values. There were also a number of applications that ultimately were found to not meet the federal or state eligibility criteria during the review process. Finally, there were some inquiries that ultimately did not result in applications being filed because it initially appeared that the county cap had already been filled for Kearny and Gray counties. One state requirement is that no more than 25 percent of the CREP program acres can be in any one county, which in 2008 was a 5,000 acre cap. That cap has since been raised to 7237.5 acres per county.

At the end of the first fiscal year on September 30, 2008, a total of 6,377 acres had officially been approved for enrollment in the CREP program. A total of 12,871 acre-feet of annual authorized water right allocations associated with these acres had been voluntarily and permanently retired. By September 30, 2009 (the end of the second fiscal year), an additional 4,011 acres had been approved for enrollment, bringing the project total to 10,388 acres. An additional 8,208 acre-feet of annual authorized water right allocations were also retired, bringing the project total to 21,179 acre-feet retired. At the end of the third fiscal year, 378 enrolled acres were added and an additional 634 acre-feet of annual authorized water right allocations were also retired. At the end of the fourth fiscal year, 247 enrolled acres were added, bringing the current project total to 11,013 acres, and an additional 532 acre-fee of annual authorized water right allocations were also retired, bringing the total to 22,245 acre-feet of annual authorized water right allocations retired. By September 30, 2012, 4079 acres were added and a total of 15,092 acres had been enrolled, and 30,734 acre-feet of annual authorized water right allocations had been retired. As of September 30, 2013, a total of 15,765 acres have been enrolled, and 31,965 acre-feet of annual authorized water right allocations have been retired. Most of the enrolled acres are irrigated (99 percent), and 87 percent of those are located in the "Tier 1 / Unsuitable soil" classifications. Nearly all of the acres (99 percent) have been enrolled in the CP2 conservation practice. No additional acres were enrolled during the period October 1, 2013 to September 30, 2014.

Outreach

Public outreach for the UAR CREP was initiated prior to and during the preparation of the project proposal to gather information and assess public support. Many outreach meetings occurred on the UAR CREP throughout Western Kansas and during the legislative session. The implementation team developed an informational brochure and poster about CREP for use during the awareness campaign (attachment A). This brochure and related promotional posters were also updated and revised during the third program year, FY2010, and again in the fourth program year, FY2011.

A coordinated approach to outreach and support will continue through implementation of the program. Much of the initial success of the UAR CREP is a result of strong marketing of the program to interested producers. The outreach was accomplished through direct mailings, newspaper press releases, educational brochures, radio broadcasts and local informational meetings. Each of the agencies cooperating in the program was responsible for the outreach component, but the KWO, DOC, GMD3 and GMD5, and the local conservation districts were especially instrumental, as identified in Attachment A.

Technical Assistance

Technical assistance is provided to the producers enrolled in the UAR CREP by USDA's NRCS and the DOC. Over the brief life of the program, there have been a number of meetings between NRCS and the producers discussing the challenges of transitioning to a permanent cover on soils that are highly susceptible to wind erosion (the majority of the enrolled acres are in this category). These meetings and communications have been even more frequent and heightened with the impacts of the ongoing drought conditions. The process for implementing CREP in Kansas (KCREP_IP_02) has been modified to indicate that NRCS will meet at the CREP site with all new participants (Exhibit C).

A very productive meeting was convened between FSA, NRCS, DOC, KWO, DWR, GMD3 and GMD5 officials in Garden City on February 26, 2009 to discuss the unique challenges, strategies, and techniques of establishing permanent grass covers on highly erodible soils associated with the majority of the CREP enrollment to date. Some very successful grass establishment was developed by the end of the 2010 season. NRCS staff has found a strategy involving an effective combination of cover crops, herbicides, irrigation and summer seeding times which has resulted in many circles of nearly 100 percent CRP grass establishment after just two years. Other county offices are being apprised of the methodologies so that the experience can be re-created in areas where the grass establishment has been difficult.

A second meeting was held in Dodge City at the USDA Service Center on July 7, 2011. Discussion at this meeting focused on the progress of the program including establishment of permanent vegetative cover. NRCS reviewed Kansas Conservation Reserve Program Technical Guidance Number 81, "Guidelines for Cover Crop and Grass Establishment on Sandy Sites Associated with Conservation Reserve Enhancement Program Acres". This guidance document has been updated to provide emphasis on the establishment of a cover crop, weed management, irrigation for establishment, and frequent monitoring.

NRCS staff expressed their concern with current conditions resulting from the severe drought being experienced in 2011 and the ability of participants to irrigate grass stands for establishment. The full effects of the drought on CREP stands will not be known for a few years. District conservationists have reported that some stands considered to be established in 2010 appear to have died during 2011 - 2013.

NRCS conducted a field tour of selected CREP sites in Kearny County on May 22, 2012. As the drought had continued and worsened over the 2011–2012 winter, it became even more apparent that alternative strategies would be necessary to re-establish grass stands that were regressing to drastically low populations of desired prairie mixture species. After convening a technical team of soil and plant specialists, NRCS conducted sampling of sites which indicated problems or issues which might be resolved through alternative cropping or cultural practices. During the summer, the Kansas Department of Agriculture also conducted chemical sampling on the same sites for the purposes of determining any possible pesticide residual effects which could be contributing to plant deterioration. NRCS conducted a meeting with 30 landowners in Garden City on November 13, 2012, to communicate the findings of the research effort and to convey recommendations for future planting of cover crops and grasses.

At the meeting, FSA announced its revised schedule of cost-share incentives for producers who will need to re-plant during the 2013 season. DOC, FSA and NRCS discussed compliance issues with the producers. All parties are in agreement that until normal precipitation patterns resume, no requirements will be enforced to re-cultivate fields with minimal cover that are in danger of blowing if adequate irrigation water is unavailable. However, each CREP contract owner who is facing establishment compliance issues because of drought related effects will still be required to have a review and plan approved by his or her local FSA county committee.

The summer of 2014 brought a season of near normal rainfall to the project area, and provided moisture to annuals, weeds and grass for much needed ground cover. These stands will need to be evaluated again in future seasons to determine their post-drought status. The current conditions of the drought-stricken areas will challenge CREP participant's ability to establish the permanent cover required by the program.

NRCS has continued to conduct technical evaluations of the project sites – both at the local county office level, and with teams of experts from FSA, NRCS, and DOC (May 7, 2014).

Agency and Organization Cooperation

The ***Kansas Water Office (KWO)***, the state's planning agency for water issues, provides direction for the CREP program development. KWO contributes to public outreach through presentations at the Upper Arkansas Basin Advisory Committee and Kansas Water Authority meetings and to other interested stakeholders. KWO works collaboratively with DOC and each of the agencies identified below to prepare and provide USDA with annual CREP progress reports. The KWO is also the lead on amending the CREP Agreement with USDA. The KWO director originally administered the Water Conservation Projects Fund for projects in the Upper Arkansas River corridor that provide water conservation, efficiency gains and aquifer recharge. Legislative directives from the 2008 session transferred the fund and administrative duties to GMD No. 3. The KWO director continues to review and give approval for proposed projects recommended by the GMD No. 3 and the Arkansas River Litigation Funds Advisory Committee, with input from the DWR Chief Engineer. The use of these funds is consistent with the purposes of CREP.

The ***Kansas Department of Agriculture - Division of Conservation (DOC)*** (formerly *State Conservation Commission (SCC)*) coordinates with local groundwater, watershed and county conservation districts, state and federal agencies, and other conservation partners to implement programs that improve water quality, reduce soil erosion, conserve water and reduce flood potential. DOC administers the state portion of CREP. DOC also is responsible to contract with eligible participating entities for the state upfront incentive payments (SUPs); to review, and make assurances that all CREP eligibility criteria are met and correctly documented; to assure that the relevant water right is properly and permanently dismissed; and to provide appropriate recommendations regarding final approval of FSA CREP applications. The DOC also administers a similar, solely state funded water right retirement program (Water Transition Assistance Program). DOC utilizes an existing staff position as the State CREP Coordinator for Kansas to facilitate and oversee CREP in the Upper Arkansas basin.

The ***Farm Service Agency (FSA)*** is the lead USDA agency for CREP. FSA provided the first public announcement of the program signups and made broad outreach to all potentially eligible persons. FSA field office staff work with landowners and producers to determine if CREP is a program that fits for their acreages and circumstances. FSA initiates the contract with interested parties; provides estimates of payments, and works to determine suitable conservation practices. Final approval of contracts comes from FSA county committees. FSA has no responsibility for the water right terminations, but coordinates with DOC and DWR as to the sufficiency of the voluntary dismissals.

The ***Kansas Department of Agriculture - Division of Water Resources (DWR)*** provides verification of water rights in good standing, administration of retired water rights, issuance of term permits, well administrations and monitoring of aquifer levels and stream flows. DWR has and will continue to provide legal partitioning of water rights, as necessary. This agency assists the Arkansas River Compact Administration with compact compliance. The chief engineer of DWR also reviews proposed project applications for water conservation and efficiency in the Upper Arkansas River basin through the former Water Conservation Projects Fund, now known as the Western Water Conservation Projects Fund, in coordination with the director of KWO. These efforts are consistent with the CREP objectives.

The ***Kansas Department of Health and Environment (KDHE)*** monitors surface water quality in the Arkansas River and tributaries. Activities include collection and preparation of chemical, bacteriological and radiological lab samples taken from Arkansas River at up to seven sites located between Coolidge and Great Bend, and analysis for chemistry, microbiology and radiological content of samples. KDHE coordinates water quality issues and meetings with Colorado and other Kansas state agencies, and stakeholders.

The **Kansas Geological Survey (KGS)** provides annual monitoring of aquifer levels. KGS also provides technical studies on salinity fate and transport, aquifer characterization, and groundwater modeling. The KGS maintains a long-term research site for investigating phreatophyte and stream-aquifer interactions in the Arkansas River valley at the USGS gage site northeast of Larned, within the CREP project area. Most of the wells are screened in the alluvial aquifer and a few are screened in the underlying High Plains aquifer. Most of the wells are instrumented with pressure transducers that record water levels on a 15 minute time interval year round. Periodic measurements of specific conductance are made in the wells and at least one sample a year is collected from most of the wells. In future years, data from the Larned site may be used along with others with water-level data in the CREP area in conjunction with the model for the Middle Arkansas River subbasin to determine the effect of reduced pumping from CREP on the system.

Kansas Department of Wildlife, Parks and Tourism (KDWPT) provides fish and wildlife population monitoring. KDWPT conducts wildlife and habitat surveys through several programs including stream monitoring and assessment and shorebird surveys. KDWPT conducts statewide stream surveys to document the current range and distribution of riverine species. Since 2002, KDWPT has coordinated a volunteer effort to survey shorebirds at wetlands throughout Kansas. Portions of these ongoing survey efforts as well as additional wildlife population monitoring activities can serve as in-kind contribution towards the CREP project. KDWPT monitors visitation rates at Cheyenne Bottoms Wildlife Area, to be used in evaluation of a CREP objective.

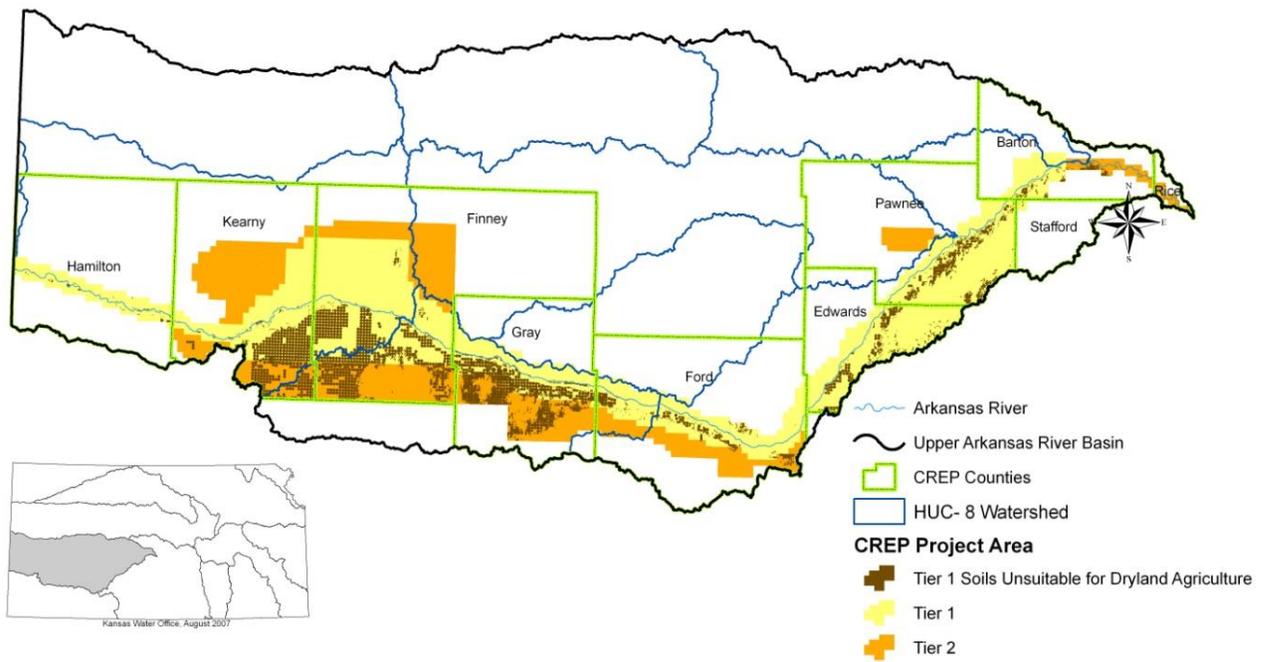
Groundwater Management Districts (GMD No. 3 and GMD No. 5) monitor water levels, collect water quality samples, recommend water management actions to the chief engineer, review and advise on water conservation projects in the Upper Arkansas River valley and promote water conservation. Both GMDs have sponsored stakeholder meetings to help explain and promote the Upper Arkansas River CREP. The GMDs have also provided technical assistance to interested parties on partitioning of water rights or fields to meet both the CREP eligibility criteria and the needs of the producer.

Kansas State University (K-State) has provided public outreach support to the cooperating state and local agencies involved with the UAR CREP proposal and implementation. Extension agents with expertise in programmatic areas important to the project are available to answer questions posed by users and other interested parties. K-State Research and Extension (KSRE) has established outreach networks to transfer important information and results to clientele and end users of program information. K-State also has the capacity to analyze and interpret economic impacts as the CREP program is further implemented. These changes include both positive and negative impacts in the sub-basin communities. Positive impacts will result from changes in the environment as less water is diverted for irrigation and remains in the aquifer and related stream flow and the useable life of the aquifer is extended. Negative impacts result from decreased economic activity as land is removed from irrigated agricultural production, whether temporary or permanent.

Natural Resources Conservation Service (NRCS) provides technical assistance on CREP contracts to create the conservation plan of operations and implement the approved practices. NRCS employees evaluate the offered acres with the applicant to determine the appropriate suite of practices to meet needs of the land and producer. Specifications for practice implementation are documented and provided to the participant on conservation practice worksheets. NRCS personnel then follow up with participants by making site visits to evaluate progress, and by making recommendations to help with management decisions. NRCS determines whether the established conservation covers meet agency specifications.

Pheasants Forever (PF) is a national non-profit conservation organization dedicated to the conservation of pheasant, quail, and other wildlife. PF members are a diversified group of hunters, non-hunters, farmers, ranchers, landowners, conservation enthusiasts and wildlife officials organized in local chapters who work through fundraising and project development efforts to make a difference by creating habitat, restoring wetlands and protecting prairies. They also promote cooperative endeavors through public awareness, education and land management policies and programs which are being implemented in the UAR CREP.

Figure 1: Map of Upper Arkansas River CREP Eligible Project Area



CREP Program Implementation Summaries

Land Conserved

As of September 30, 2014, the total amount of land which has been offered and approved for enrollment into the CREP program is 15,765 acres, as detailed in the table below (see maps of CREP counties showing location of acres enrolled in Attachment D).

Acres Approved for Enrollment: December 20, 2007 to September 30, 2014								
CREP County	Acres Approved December 20, 2007 – September 30, 2008	Acres Approved October 1, 2008 – September 30, 2009	Acres Approved October 1, 2009 – September 30, 2010	Acres Approved October 1, 2010 – September 30, 2011	Acres Approved October 1, 2011 – September 30, 2012	Acres Approved October 1, 2012 – September 30, 2013	Acres Approved October 1, 2013 – September 30, 2014	Total Acres Approved since Program Initiation
Barton								
Edwards								
Finney	129	1,137	(- 494)*		1,338			2,110
Ford								
Gray	1,802	2,018	872	247	1,088	673		6,700
Hamilton								
Kearny	4,205	856			1,522			6,582
Pawnee	241				131			372
Rice								
Stafford								
Total	6,377	4,011	378	247	4,079	673	0	15,765

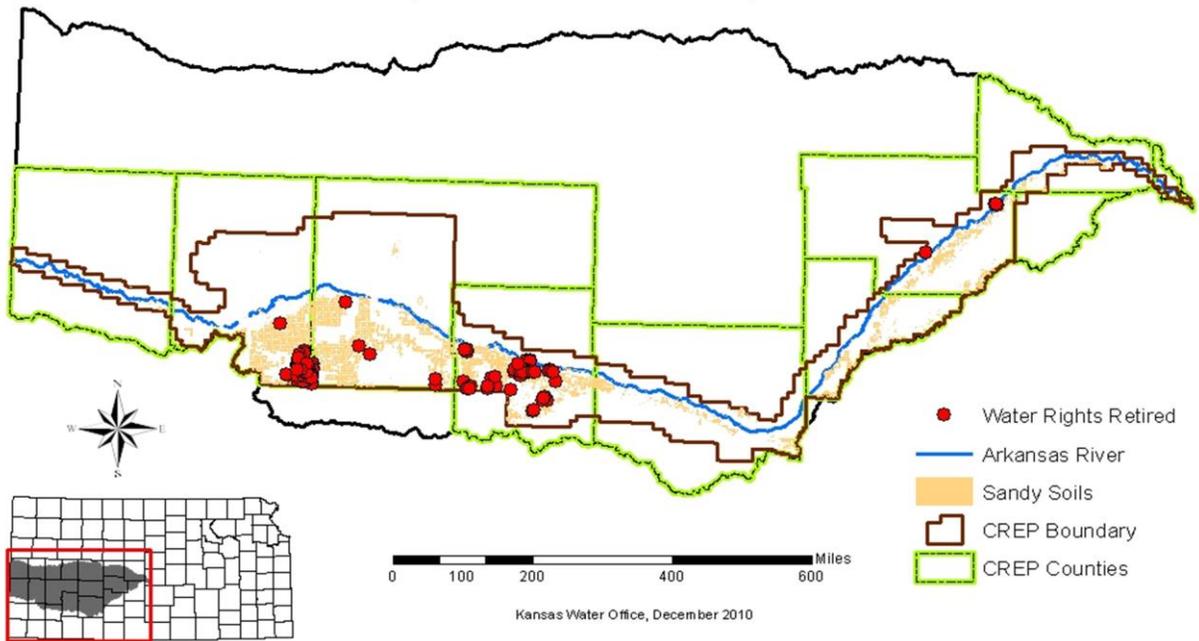
*494 acres were withdrawn from state contracts prior to final CRP-1 approval by FSA

Water Conserved

The total amount of water rights that have been offered and accepted for permanent retirement under state approved contracts from the beginning of enrollment on December 20, 2007 through September 30, 2014, are shown in the table below. To date, a total of 31,965 acre-feet of annual authorized water right allocation has been permanently retired from irrigation through enrollment into the Upper Arkansas River CREP.

CREP Authorized Water Right Allocation Permanently Retired: 2007 - 2014		
CREP County	Authorized Quantity (Acre-Feet) of Annual Water Right Allocation Permanently Retired on State Contract Approved Acres	Number of Irrigation Wells Being Permanently Retired on State Contract Approved Acres
Barton		
Edwards		
Finney	3816 AF	17 Wells
Ford		
Gray	13,883 AF	5 Wells
Hamilton		
Kearny	13,680 AF	51 Wells
Pawnee	586 AF	16 Wells
Rice		
Stafford		
Total	31,965 AF	143 Wells

Figure 2: Map of Upper Arkansas River CREP Retired Water Rights



Groundwater Monitoring Activities

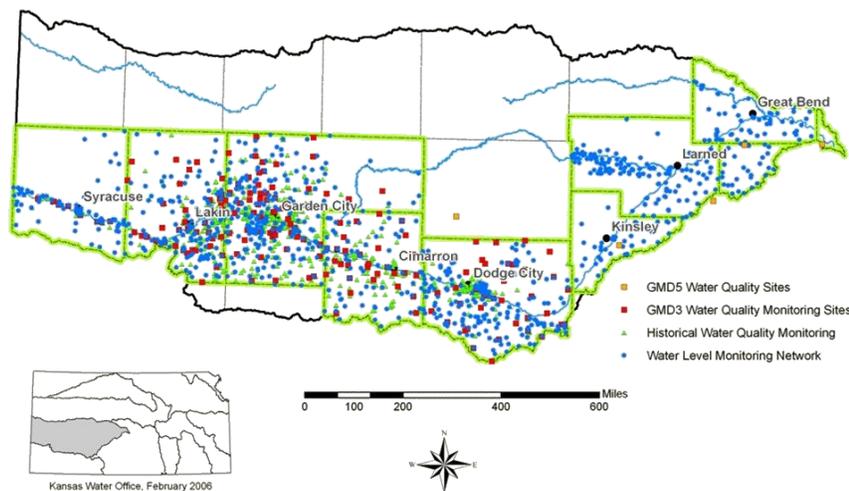
The majority of the acres enrolled in the Upper Arkansas CREP are requiring limited irrigation to get a permanent vegetative cover established on soils highly susceptible to wind erosion. The current drought will further necessitate that additional irrigation water be applied to re-start cover crops and grass stands that have been damaged, in addition to recent enrollments that are being initially established. Therefore, there will still be minimal reductions in pumping that will likely be reflected in the last measurements from the annual groundwater level monitoring program (January, 2014). Many of the additional acres approved during FY2009, FY2010, FY2011, FY2012 and FY2013 did not get contracts established until mid-year. Ground-water level measurements and annual water use reports are being collected for the CREP project area (average groundwater levels and the locations of monitoring wells are provided in Attachment E).

Water levels have been monitored at least annually at numerous locations in the CREP counties. Figure 3 includes the locations of historical water level measurements in the area. GMD5 obtains water level measurements from 25 wells in the CREP area. Annual measurements are collected from 14 of these wells and quarterly measurements of 11 wells are planned to continue.

Water levels within the boundaries of the CREP area, particularly in the areas where contracts are approved, will be measured over time. One option is to compare monitored changes with predicted changes based on the Middle Arkansas subbasin and GMD3 computer modeled scenarios. The Kansas Geological Survey is also working cooperatively with DWR and GMD3 to enhance the monitoring network for the aquifer close to the retired CREP acres and water rights in Kearny, Finney and Gray counties. Improvements include providing additional annual monitoring wells and increasing the measurement frequency, equipping some key well sites with pressure transducers and temperature loggers, and designating some wells as index calibration wells. Since a great deal of the enrollments in Gray and Kearny counties are in very close proximity, the establishment of such an enhanced monitoring program would result in some very specific information about the effects of substantial water right retirements in these highly localized areas.

Figure 3: Upper Arkansas River CREP Water Quality and Water Level Monitoring

Groundwater quality and water level well locations within the CREP counties



Annual Irrigation Water Usage in CREP Area: 2007 - 2013

Water use reports of authorized acres actively being irrigated each year have been received and verified by DWR for the 2007 – 2012 reporting years. Reported irrigation water use and the number of actual irrigated acres within the CREP project area for 2007, 2008, 2009, 2010, 2011, 2012 and 2013 are shown below.

CREP Project Area Reported Irrigated Water Use and Irrigated Acres: 2007 - 2013								
County	2007 Reported Irrigated Acres in CREP Project Area	2007 Reported Irrigation Water Use (AF) in CREP Project Area	2008 Reported Irrigated Acres in CREP Project Area	2008 Reported Irrigation Water Use (AF) in CREP Project Area	2009 Reported Irrigated Acres in CREP Project Area	2009 Reported Irrigation Water Use (AF) in CREP Project Area	2010 Reported Irrigated Acres in CREP Project Area	2010 Reported Irrigation Water Use (AF) in CREP Project Area
Barton	16,599	15,898	15,687	15,157	16,415	15,133	16,064	17,621
Edwards	35,741	30,375	36,128	38,681	36,313	35,896	36,875	38,534
Finney	204,649	248,916	200,856	293,357	197,894	238,180	196,224	271,887
Ford	42,898	44,833	41,822	58,260	41,213	44,889	41,788	47,235
Gray	81,547	94,995	82,232	105,570	81,916	92,088	79,321	96,563
Hamilton	10,899	13,270	12,570	19,424	12,679	15,707	12,585	18,235
Kearny	86,387	126,609	106,934	191,013	110,314	165,931	103,754	168,632
Pawnee	48,709	38,983	49,792	41,714	49,550	44,233	50,130	53,645
Rice	336	281	331	221	331	230	331	369
Stafford	628	601	628	552	628	695	628	787
Total	528,393	614,761	546,980	763,950	547,253	652,982	537,700	713,514

CREP Project Area Reported Irrigated Water Use and Irrigated Acres: 2007 - 2013								
County	2011 Reported Irrigated Acres in CREP Project Area	2011 Reported Irrigation Water Use (AF) in CREP Project Area	2012 Reported Irrigated Acres in CREP Project Area	2012 Reported Irrigation Water Use (AF) in CREP Project Area	2013 Reported Irrigated Acres in CREP Project Area	2013 Reported Irrigation Water Use (AF) in CREP Project Area		
Barton	16,172	25,239	16,418	24,186	19,232	14,337		
Edwards	36,580	48,840	35,176	43,349	37,517	33,728		
Finney	193,792	34,1958	190,032	330,573	214,945	280,457		
Ford	42,903	72,143	41,863	69,614	55,292	46,655		
Gray	74,420	112,065	74,061	100,544	81,788	92,224		
Hamilton	12,265	22,219	13,118	22,521	17,405	17,753		
Kearny	103,211	174,369	85,618	146,221	97,162	127,670		
Pawnee	52,243	68,733	50,070	62,075	55,969	48,225		
Rice	331	611	336	353	336	310		
Stafford	628	969	625	860	622	588		
Total	532,545	867,150	507,317	800,296	580,268	661,947		

Summary of Non-Federal Program Expenditures

The total federal costs of the program to date are \$37,778,967. The State of Kansas, with its partners of other agencies, conservation districts, groundwater management districts and Pheasants Forever have provided a cost share that meets or exceeds the required 20 percent match of federal costs. The State of Kansas agreed to pay not less than 20 percent of the program costs, as required for a CREP program, through a combination of direct payments, technical assistance and in-kind contributions. No less than 10 percent of this match is in direct match. Since December 6, 2007, a total of \$7,840,302 of non-federal expenditures has been made in support of the CREP project. The Kansas state direct match now totals \$5,342,420 with \$947,947 having been paid to producers for sign-up incentives on enrolled irrigated acres.

Direct Match to Federal Dollars from October 1, 2013 to September 30, 2014		
Organization	Amount	Activities
KDA – Division of Conservation State Upfront Payments	\$0	State sign-up-payments to CREP participants
State CREP Coordinator	\$44,433	Coordinate implementation of program with FSA, conservation districts, NRCS, and state agencies
KDA – Division of Conservation	\$0	Cost share on well plugging and other allowed practices
Western Water Conservation Project Funds	\$4,701	Alternate delivery route, ditch lining, Lake McKinney storage capacity and bypass
Pheasants Forever / Quail Forever	\$0	Cost share on seeding; loan of grass seeder
Kansas Water Office	\$0	Cost share on tamarisk control, or wetland bonus payments
TOTAL DIRECT	\$49,134	

State Upfront Payments Approved by County*								
COUNTY	State Upfront Payments SFY2008	State Upfront Payments SFY2009	State Upfront Payments SFY2010	State Upfront Payments SFY2011	State Upfront Payments SFY2012	State Upfront Payments SFY2013	State Upfront Payments SFY2014	COUNTY TOTAL
Barton								
Edwards								
Finney	\$8,022	\$33,756	\$2,677		\$78,251			\$122,706
Ford								
Gray	\$156,954	\$44,856	\$75,618	\$15,320	\$64,419	\$37,677		\$394,844
Hamilton								
Kearny	\$260,632	\$37,510	\$15,620		\$94,241			\$408,003
Pawnee	\$14,291				\$8,103			\$22,394
Rice								
Stafford								
TOTAL	\$439,901	\$116,122	\$93,916	\$15,320	\$245,011	\$37,677	\$0	\$947,947

*These figures reflect the State of Kansas fiscal years from program start date on December 20, 2007 through June 30, 2014

As of September 30, 2014, a total of \$947,947 has been expended by the Division of Conservation for the state Upfront Payments (SUPs) in 93 separate state contracts to producers who have been approved and enrolled in the CREP program. Based on these 93 contracts, producers will receive an average of about \$1,507,000 annually in direct payments from FSA over the 14-15 year period of the CREP contracts. Producers may also receive other cost-share help from FSA.

Services by Organizations from October 1, 2013 to September 30, 2014		
Organization	Actual	Activities
Technical Assistance		
Western Water Conservation Projects Fund Management	\$983	Preferred interstate, grant applications, general TA water rights, laws and issues
KDA – Div. of Water Resources	\$366	CREP database maintenance, water right reviews, divisions and retirements for applications
Kansas Geological Survey	\$65,900	Water level monitoring, database management, phreatophyte investigations, TA, water right communication, modeling, river water quality and practical saturated thickness work
Kansas Department of Wildlife, Parks and Tourism	\$11,208	Wildlife and fish population investigations in CREP counties
Kansas Conservation Districts	-	No activity to report
State & Local In-kind		
KDA – Div. of Conservation	\$900	Reports, outreach & CREP field Inspections
Western Water Conservation Projects Fund	\$98,413	Alternative delivery system, storage capacity, and efficiency improvements (ARLFSC time)
Big Bend Groundwater Management District No. 5	\$45,000	Water level measurements, meter compliance, water banking, CREP assistance and clerical pay
Southwest Kansas Groundwater Management District No. 3	\$119,003	Water management, stakeholder assistance in CREP area, program promotion
Kansas Department of Health and Environment	\$14,348*	Ark River coordination with Colorado, sampling of Ark River water quality
Kansas Water Office	\$1,183	Weather modification and phreatophyte CREP activities
TOTAL TA / In-Kind	\$357,304	

*No report received for FY2014 – assumed to be the same as previous year

Progress on CREP Objectives (12 objectives)

1. Enroll a maximum of 28,950 acres into CREP in the project priority area (25,950 irrigated acres, 3,000 from dryland pivot corners as part of whole field enrollment), with a goal of up to 18,600 acres put into native grass.

As of September 30, 2014, a total of 15,765 acres have been offered, accepted and enrolled into the CREP program. Of the total number of acres currently offered, only 1.8 percent (296 acres) was farmed dryland. Offers which are predominately “Tier 2 soils” comprise 11.0 percent (1,679 acres) of the total approvals to date. This objective is 54 percent complete.

2. Reduce the application of groundwater for irrigation in the targeted area by 45,125 acre-feet, annually, with the enrollment of 25,950 irrigated acres.

As of September 30, 2014, a total of 31,965 acre-feet of authorized water rights for irrigation have been permanently retired. This rate is averaging just over 2 acre feet per acre, a rate higher than estimated in the CREP objective, particularly because the majority of the enrollment in the project area has been in the western counties where the water appropriation allowances are the highest in the state, and some irrigated acreage is authorized on land which is not being enrolled at the irrigated rate due to FSA restrictions. This objective is 70 percent complete.

3. Increase the frequency of meeting minimum desirable stream flows in the Arkansas River at the USGS gaging stations at Great Bend and Kinsley by 2020 from 71 percent and 52 percent, respectively, as measured in 1996-2004.

No assessment of this objective has been made as of September 30, 2014. Measurement of the impact of enrollment of acres into the Upper Arkansas River CREP on minimum desirable stream flow will begin after water rights have been terminated and sufficient time has elapsed to have an effect on the system. Most of the acres enrolled have just recently terminated the water rights, or are still allowed temporary limited irrigation to establish vegetation on soils susceptible to wind erosion. Following is a summary of the anticipated methodology for this objective.

There are three components to stream flow: frequency, magnitude and duration. Each of these components will be reviewed at the Great Bend and Kinsley MDS gage. The daily flow from 1960 to 2004 will be summarized into annual data. The summarization parameters include:

1. *The percent of time the MDS was not met (frequency of excursion).*
2. *The volume of flow less than MDS as calculated by the difference between MDS and reported flow (magnitude of excursion).*
3. *The maximum length in consecutive days that MDS was not met (duration of excursion).*

The frequency, magnitude and duration for which MDS was not met will be compared for the pre-CREP years (1960–2006) to the post-CREP years (2007-2014). A nonparametric test, the Wilcoxon rank-sum, will be used to determine if a statistically discernible difference existed between the pre and post-CREP period.

The same comparison will be made using the pre and post-CREP period and the average annual Palmer Drought Severity Index (PDSI) for the region in which the MDS gage was located. This will create an index for the antecedent moisture conditions that will be a primary factor in determining each period's flow condition. One would expect that in those regions where the PDSI had become significantly greater (wetter), one should see a concomitant improvement in the magnitude, frequency or duration of the MDS condition.

Finally, the trend for the annual summarizations of the three components of flow will be assessed. This assessment will be used to determine whether there is a discernible trend in the annual frequency, magnitude or duration of minimum desirable stream flows through time (1960-2005).

4. Reduce stream flow transit losses due to inefficiencies in the delivery of the water by improving the channel and canal delivery system.

No official assessment of this objective has been made as of September 30, 2014. Improvements to the stream flow delivery system are underway. Construction is complete on the cleaning and reshaping of the canal used by the South Side Ditch Company to enhance delivery of water to its members and to more efficiently deliver water to the downstream Farmers Ditch Company during a

drought. It's estimated that water delivery to the Farmers Ditch Company via the refurbished canal has at least 15 percent less stream flow transit loss than delivery via the river channel.

5. Reduce the rate of groundwater declines in the alluvial aquifer and the hydraulically connected High Plains aquifer in the CREP area by 2020 from those measured during the winter months for the pre-CREP five year period (2003 – 2007) and pre-CREP ten year period (1998 - 2007).

No assessment of this objective has been made as of September 30, 2014. The impact of enrollment of acres into the Upper Arkansas River CREP on groundwater conditions will be made after water rights have been terminated. At the present time, limited irrigation is still provided on many of the enrolled acres to help establish vegetation, where the soils are highly susceptible to wind erosion. Following is a summary of the anticipated methodology for this objective.

Water levels have been monitored at least annually at numerous locations in the CREP counties. The map below includes the locations of historical water level measurements in the area. GMD5 obtains water level measurements from 25 wells in the CREP area. Annual measurements are collected from 14 of these wells and quarterly measurements of 11 wells are planned to continue. Data collected from each of these measurements will be used to assess the progress towards meeting this objective.

Water levels within the CREP area, particularly in the areas where contracts are approved, will be measured over time. Depending on levels of change, monitored changes could also be compared with predicted changes with computer modeled scenarios. The steering committee is cooperating to create an enhanced monitoring network for the aquifer close to the retired CREP acres and water rights. Possible improvements mentioned include providing additional annual monitoring wells and increasing the measurement frequency, equipping some key well sites with pressure transducers and temperature loggers, and designating some wells as index calibration wells.

6. Reduce the outward migration of river salinity within the High Plains aquifer by 2020 from the currently projected extent based on 1990s groundwater conditions in the Arkansas River valley.

As of September 30, 2014, 15,765 acres have been offered, approved and enrolled into the CREP program. Some of the offered acres are close to the stream, and most are south of the river. An assessment of this objective will be made in the future, once more acres are enrolled, and when most of the wells are permanently turned off. A number of the wells are still in use for limited irrigation to help establish permanent vegetative cover. While no formal assessment of this objective is made at this time, the state's comprehensive water quality monitoring network, as described below, will be used to determine progress in meeting this objective.

Instream water quality and groundwater quality have been recorded historically through monitoring programs at the state and local level. KDHE has a long-standing network of monitoring stations along the Arkansas River from Coolidge to Great Bend. These stations are the foundation for the TMDL work in the Upper Arkansas Basin. Three years (2004 – 2006) of intensive bacteria sampling have been conducted with over 12 sessions of sampling 5 times within 30 days at these stations on the Arkansas River, in accord with K.S.A. 82a-2001, et seq. KDHE has been developing additional TMDLs in the Upper Arkansas Basin in 2011 for the next round of TMDLs on the Arkansas River.

The existing stations will be used to assess future post-TMDL conditions, over the 15 years CREP enrollment period. It is not expected that CREP will have an impact on the overall TDS (Total Dissolved Solids) levels in the river, however improvement is expected in the reduction of the advance of TDS or sulfate into the fresh water aquifers laterally from the river.

Annual groundwater sampling was temporarily suspended by GMD3 in 2011 - 2014 for the 183 monitoring sites in the CREP counties this report period. They were replaced by 40 additional groundwater samples collected for analysis of uranium in the CREP area by the KGS, including the regular suite of analysis. This work was done by KGS as an enhancement to a cooperative river flow sampling project funded by an EPA grant; it evaluates the deposition of uranium in Arkansas River flows. This work should broaden the water quality evaluations of CREP benefits and future management progress.

Further east, groundwater quality monitoring in the area by GMD5 has been conducted for specific projects from 12 wells. This information can provide a basis for comparison in the future.

This data will provide water quality information prior to CREP, and the continuing monitoring program will enable data analysis for documenting impacts of the program. This monitoring, along with the groundwater monitoring for other state initiatives, provides a baseline for post-CREP comparison. Stream and groundwater samples will be analyzed to determine mineral content at a frequency appropriate to determine representative water quality at least on an annual basis. At a minimum, sulfate, selenium and total dissolved solids will be quantified. Groundwater samples will be obtained for analysis and result comparison from wells with an analysis history. Wells with previous data will be monitored from both the alluvial and High Plains aquifers.

7. Reduce the bacterial, nutrient and pesticide levels in the Arkansas River in Edwards and Pawnee counties by 2020 from the 1990 – 2000 levels.

Bacterial impairments under the new state definition are in the middle reaches of the basin. Intense sampling for bacteria after 2015, concentrating on the Kinsley area, is planned. Additional data will be available through the monitoring network as described in Objective #6. However, an assessment of this objective will not be made at this time.

As of September 30, 2014, 372 acres have been enrolled into the CREP program in Pawnee County. No acres have yet been offered in Edwards County.

8. Increase aquifer recharge and wildlife habitat by enrolling 400 acres of playa lakes and soils, and other suitable locations for shallow water development.

As of September 30, 2014, no acres have been formally offered for the CP9 Shallow Water Areas practice. Approximately 8 acres of playa soils occur on acres offered into the CREP program.

9. Reduce agricultural use of highly erodible soils with a goal of enrolling 7,000 acres that are unsuitable for dryland farming.

As of September 30, 2014, approximately 12,777 acres of soils unsuitable for dryland farming have been enrolled in the CREP program. More than 100 percent of this objective has been met.

Acres Enrolled as of September 30, 2013	
Tier 1	1,309
Tier 1 Unsuitable Soils	12,777
Tier 2	1,679
Total Acres Enrolled	15,765

10. Reduce the amount of soil lost to erosion by approximately 80,000 tons per year on all acres enrolled in CREP.

Soil erosion in the Upper Arkansas River Basin occurs primarily due to wind erosion. Water erosion is also a factor in soil erosion in the basin, but to a lesser extent. In comparison, wind erosion can reach 4 tons/acre whereas water erosion would total 0.3 ton/acre on the same soil types with the same cropping patterns and management practices. Factors that affect wind erosion include residue cover, field width, crop rotation intensity, and tillage operations (USDA 2006).

With 15,765 acres enrolled in the CREP program as of September 30, 2014, the amount of soil lost to erosion will be reduced by about 60,368 tons per year. Approximately 75 percent of this objective has been met. In order to help establish vegetative cover, limited irrigation for up to two full calendar years will be a condition on the water right termination for offers with highly erodible soils of factor I-34 or greater. Prior to final contract approval, a conservation plan of operation will be prepared, and limited irrigation may be recommended.

Soil Erosion	
4 tons / acre/ year	15,765 acres
Total soil erosion reduction	63,060 tons per year

11. Protect the ecological and recreational viability of the Cheyenne Bottoms with improved Arkansas River stream flow, as measured by an increase in the average, annual bird count at the Bottoms in 2015-2023 as recorded from 1996-2004, and with increased human visitation rates in 2015-2023 as recorded from 1996-2004.

No assessment of this objective has been made as of September 30, 2014. The impact of enrollment of acres into the Upper Arkansas River CREP on the ecological and recreational viability of Cheyenne Bottoms will not be discernible until water rights have been terminated and wells turned off. Many application acres just recently had the associated water rights terminated, or have limited irrigation to establish permanent vegetative cover. Monitoring of the average annual bird count and human visitation rates will continue.

12. Reduce energy consumption from an average of 59,850 kW-hr to less than 5,000 kW-hr per pivot for the first two years on pivots enrolled in the CREP. In subsequent years, energy consumption will be reduced to zero, as the pivots eligible for limited irrigation will be removed from the enrolled parcel. Total energy savings for the term of the CREP contracts will approach 8 million kW-hr.

K-State Research and Extension staff provided a rough estimate of energy consumption for a 125 acre center pivot in counties along the Upper Arkansas River. An average energy consumption of 59,850 kW-hr per pivot per year was derived from their estimates. In the first two years of the program, offers made for acres that occur in soils unsuitable for dryland agriculture will have the opportunity to irrigate minimally to ensure establishment of grass cover. Therefore, a small amount of energy consumption will still be experienced in the first years of the program.

With 15,092 irrigated acres enrolled in CREP as of September 30, 2014, more than 7 million kW-hr of energy savings may be achieved each year. 87 percent of this objective has been met.

Energy Savings	
Irrigated Acres Enrolled as of September 30, 2014	15,765 acres
Approximate Number of Center Pivots Retired	122 pivots
Average Energy Consumption per Pivot	59,850 kW
Total Energy Savings per Year (kW)	7,301,700 kW

ATTACHMENT A UPPER ARKANSAS RIVER CREP BROCHURE & POSTER



ARK RIVER CREP PARTNERS

Working partners include: USDA Farm Service Agency, State Conservation Commission, Natural Resources Conservation Service, Southwest Kansas GMD No. 3, Big Bend GMD No. 5, Pheasant Forever, KGS, KDHE, KDA-DWR and KWO.



CREP Field, Kearny County

FOR MORE INFORMATION CONTACT:

Steve Frost, CREP Coordinator,
State Conservation Commission,
(785) 296-3600, STEVE.FROST@SCCKS.GOV
Carla Wilkoff, USDA-FSA,
(785) 529-3534, CARLA.WILKOFF@USDA.FSA

APPLICANTS WATER RIGHT QUESTIONS:

Kansas Department of Agriculture,
Water Resources Division (785) 296-6081
GMD No. 3, Garden City, (620) 275-7147
GMD No. 5, Stafford, (620) 234-5352

FARM SERVICE AGENCIES (FSA)

Barton	(620) 792-5329
Edwards	(620) 659-3142
Finney	(620) 275-0211
Ford	(620) 227-3731
Gray	(620) 855-3515
Hamilton	(620) 384-6955
Kearny	(620) 355-7911
Pawnee	(620) 285-2821
Stafford	(620) 549-3321
Rice	(620) 257-5184



1-2-3 OF SIGN-UP

As you decide whether CREP enrollment fits your business plan, you'll be working with the USDA-Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS) and the State Conservation Commission (SCC).

1. First stop is your local FSA office. FSA personnel will use a CREP data base to determine whether at least half of the irrigated land offered for enrollment lies within the CREP boundaries and if minimum water use criteria have been met. They also will be able to provide eligible producers with a preliminary estimate of rental and upfront payments.
2. Any questions on water rights will be referred to the KDA-Division of Water Resources or Groundwater Management District No. 3 or 5. Producers whose land is accepted into the voluntary program are expected to permanently retire the associated water right(s).
3. The State Conservation Commission will make the state's upfront payments and practice cost share payments on approved CREP contracts.

ELIGIBILITY CRITERIA

Federal and state eligibility criteria must be met to enroll your land in CREP. This partial list of the criteria will help to screen your eligibility in advance. Your local FSA office has a data base to screen your application on these criteria.

1. At least one-half acre foot of water per acre was applied four out of six years (1996-2001).
2. At least 50 percent of the maximum annual quantity authorized to be diverted under the water right has been used in any three years from 2001 through 2005.
3. Half or more of the offered land must be located within the CREP boundary.

BENEFITS TO FARMERS

- Federal annual irrigated rental and maintenance payments for 14 to 15 years.
- Rental payment on dryland cropland (i.e., center pivot corners) that's part of a whole field enrollment. State upfront payment of up to \$62 per irrigated acre.
- 50 percent cost share on seeding.
- Pheasants Forever offers to provide up to \$500 per producer to offset farmers' seeding costs.
- Well plugging cost share of \$1,000/well.
- Bonus payment of \$350/acre for shallow water area development in Kearney or Finney Counties.
- Land can be leased for hunting.

WATER AND SOIL CONSERVATION IN THE UPPER ARKANSAS RIVER CORRIDOR

The Conservation Reserve Enhancement Program affords potential benefits for both farmers and land and water resources in 10 counties along the upper Arkansas River. Landowners who enroll in CREP will receive up to 15 years of rental payments, a state sign-up bonus, and state, federal and private cost-share dollars to put irrigated acres into a conservation planting. The water rights associated with the enrolled land will be permanently retired. Enrollment is on a first-come, first-served basis. Program enrollment is only assured through June, 2011 at this time.

What is CREP?

CREP is a targeted, enhanced Conservation Reserve Program (CRP), a federal program administered by the USDA's Farm Service Agency (FSA). CRP was designed to prevent soil erosion, but also has provided water quality and wildlife habitat benefits. CREP allows the focus to be on a state resource concern; in this case, water conservation.

What are the water and soil benefits?

Reducing irrigation demands on the stream-aquifer system will slow aquifer declines. It will also reduce the spread of saline river water into the aquifer and help restore stream and riparian health. Most acres enrolled have highly erodible, sandy soils.

Multi-year transition with limited irrigation allows establishment of cover vegetation. This program provides cash payments for land transition, while irrigation is still possible. Continued, irrigation is permitted to establish a suitable land cover.

Among the approved practices eligible for cost share money are native grass seeding, wildlife habitat establishment, shallow water area construction, wetland restoration and filter strip and riparian buffer installation.

Are there targeted areas?

The program places priority on acreage where the retirement of the land and attendant water rights would have the greatest water conservation benefit and protect highly erodible soils.



Arkansas River during high flow in 1995 at Dodge City. It appears now at Dodge City.

Are there wildlife benefits?

The conservation practices to be implemented open a host of opportunities for wildlife and landowner revenue related to hunting, bird watching and other forms of eco-tourism.

NEW IN 2011

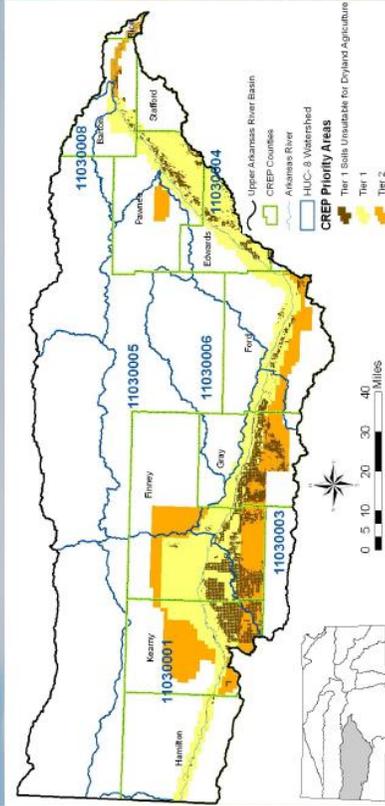
INCREASED FEDERAL RENTAL PAYMENTS!

\$115 TO \$140 PER ACRE UP TO 15 YEARS

EXPANDED CREP ENROLLMENT CAP!

Upper Arkansas River CREP

(Rental rates for irrigated land are keyed to the Hydrologic Unit (HUC-8 Watershed))



Irrigated Rental Rate per Acre by HUC-8 Watershed*	
HUC-8 Watershed	11030001 11030003 11030004 11030005 11030006 11030008
Center Pivot and Subsurface Drip	\$120 \$125 \$140 \$130 \$130 \$135
Flood	\$115 \$120 \$130 \$120 \$120 \$125

Upper Arkansas River CREP

CONSERVATION RESERVE ENHANCEMENT PROGRAM:

*Water and soil conservation in the
Upper Arkansas River corridor.*

NEW 2010 ENHANCEMENTS
INCREASED FEDERAL RENTAL PAYMENTS!
\$115 TO \$140 PER ACRE OVER 14 TO 15 YEARS.
EXPANDED CREP ENROLLMENT CAP!

BENEFITS TO FARMERS

- UPFRONT PAYMENT OF UP TO \$62 PER IRRIGATED ACRE
- 50 % COST SHARE ON SEEDING
- UP TO \$500 TO OFFSET SEEDING COSTS
- WELL PLUGGING COST SHARE UP TO \$1,000
- RENEWED LANDOWNER REVENUE FROM HUNTING, BIRD WATCHING & ECO- TOURISM
- ASSURED INCOME WITH ANNUAL CASH PAYMENTS

BENEFITS TO THE REGION

- SLOW AQUIFER DECLINES
- PROTECT LAND FROM SOIL EROSION WITH IRRIGATED TRANSITION
- REDUCE THE SPREAD OF SALINE WATER
- RESTORE STREAM & RIPARIAN HEALTH

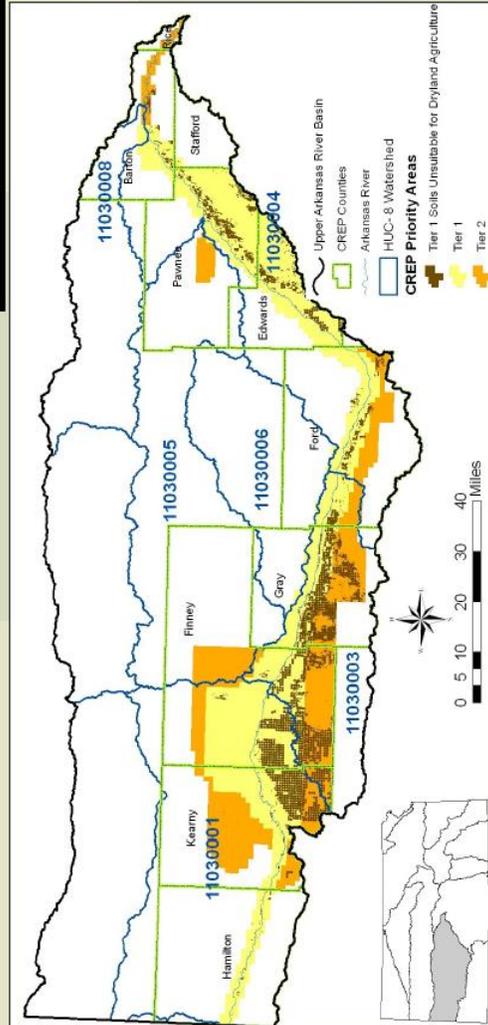


Blown sand in center pivot field, Edwards County

**SIGN-UP AT YOUR LOCAL
USDA-FARM SERVICE
AGENCY OFFICE TODAY!**

FOR MORE INFORMATION CONTACT:

Steve Frost, CREP Coordinator,
State Conservation Commission,
(785) 296-3600, STEVE.FROST@SCC.KS.GOV



Arkansas River during high flow in 1995 at Dodge City.



SW Kearny Co. sand dunes.



Stable grass stand in CREP field, Kearny Co.



Arkansas River dry riverbed as it appears now at Dodge City.

Attachment B

Upper Arkansas River Conservation Reserve Enhancement Program Outreach

December 2007 - December 2008 Outreach for the Conservation Reserve Enhancement Program Events (Brochure distribution and conversation)

- Stakeholder Meeting – Garden City, GMD3, December, 2007
- Conservation District Meetings in the 10 counties in CREP area – Jan. 11 - Feb. 28, 2008
- GMD5 Meeting – Stafford, February 7, 2008
- No-till on the Plains – Salina, January 2008
- 3i Show – Great Bend, May 2008
- Upper Arkansas Basin Advisory Committee public meeting – Jetmore, May 21, 2008
- Upper Arkansas Basin Advisory Committee public meeting – Garden City, July 16, 2008
- KSU Agronomy Day – August 2008
- Kansas Agribusiness Expo – November 2008
- CREP Producer Outreach Information Meeting – Larned, December 12, 2008; Garden City, December 17, 2008; Dodge City, December 18, 2008

December 2008 - December 2009 Outreach for the Conservation Reserve Enhancement Program

- Garden City Farm Show – January 2009
- NRCS All Personnel Meeting – Hays, February 11, 2009
- NRCS All Personnel Meeting – Scott City, February 12, 2009
- Collaborative Technical Issues Meeting – Garden City (FSA, NRCS, SCC, KWO, GMDs), February 26, 2009
- Middle Ark WRAPS Meeting – Dodge City (KSU, GMD3), March 3, 2009
- Middle Ark WRAPS Meeting – Larned (KSU, GMD5), March 5, 2009
- Upper Ark WRAPS Meeting – Garden City (KSU, GMD3), March 10, 2009
- Water and the Future of Kansas Conference – Topeka (SCC, KWO Presentation), March 12, 2009
- 3i Show – Great Bend, May 2009
- Kansas legislative Field Tour – Lakin (SCC, KWO Presentation), June 4, 2009
- Stakeholder Meeting – Garden City, GMD3, October, 2009
- Public Information / Education Meeting – St. John (w/ GMD5) October 29, 2009

December 2009 - December 2010 Outreach for the Conservation Reserve Enhancement Program

- 3i Show - Garden City May 2010
- GMD3 CREP promotion - Ongoing

December 2010 – September 2011 Outreach for the Conservation Reserve Enhancement Program

- FSA National Press Release – August 23, 2011
- KDA & KWO Kansas Press Release – August 23, 2011
- 3i Show - Great Bend May 2011
- GMD3 CREP promotion - Ongoing

- Second technical meeting preparing for 2011 MOA updates - Dodge City, July 7, 2011 at USDA Service Center (DOC, NRCS, FSA, DWR, GMD3, and GMD5 participating)
- September, 2011 - DOC sent a directed mailing to 1235 landowners who appeared to have eligible water rights in the project area

October 2011 – September 2012 Outreach for the Conservation Reserve Enhancement Program

- 3i Show - Great Bend May 2012
- May 22, 2012 – NRCS CREP Drought Impacts Field Tour in Kearny County
- August 2012 – KDA field chemical sampling project in Gray, Finney and Kearny counties
- November 13, 2012 – NRCS CREP Drought Impacts Landowner Meeting in Garden City
- GMD3 CREP promotion - Ongoing

October 2012 – September 2013 Outreach for the Conservation Reserve Enhancement Program

- November 11, 2012 - CREP Producer Meeting in Garden City
- February 6, 2013 - Presentation to Kansas Water Congress annual meeting in Topeka
- August 1, 2013 - Presentation to Kansas Water Congress summer meeting in Garden City

Brochures/Posters

- Updated CREP promotional poster to be distributed in December at CREP informational meetings in December to FSA offices and Conservation Districts
- Updated CREP promotional brochure for distribution by State Conservation Commission at stakeholder meetings in August.
- Updated CREP promotional brochure used at K-State Agronomy Day.
- Updated CREP promotional brochure used at Kansas Agribusiness Expo.

Articles

- **Establishment of Upper Arkansas River CREP**, (December, 2007, Governor Sebelius and KWO press release)
- [**Upper Arkansas River CREP Attracts More Than 12,000 Acres in Seven Days**](#) (January 2008 KWO HydroGram)
- [**CREP Conservation Practices Include Aquifer Recharge**](#) (January 2008 KWO HydroGram)
- [**Conservation Reserve Enhancement Program Benefits Water Resources & Farmers**](#) (September 2008 KWO HydroGram)
- **Response to Hutchinson Daily News editorial by SCC executive director on behalf of KDA, KDWP, and the KWO** (November 2008)
- [**Congressional funding measure keeps CRP rolls open**](#) (January 2008 HPJ news release)
- Pratt newspaper article on KDWP conducting a wildlife impact survey starting last spring per an article, as part of the CREP effort.

Internet

- **Access to various resources and reports on the Upper Arkansas CREP program are continuously updated and made available on the DOC's website at:**

<http://agriculture.ks.gov/divisions-programs/division-of-conservation/water-conservation-programs>

**ATTACHMENT C
PROCESS FOR IMPLEMENTING UPPER ARKANSAS RIVER CREP IN KANSAS**

**FSA Kansas Exhibit 44 (Par. 171, 401)
2-CRP (Rev. 5), KS Amend. 6
August 23, 2011**

STEP	ACTION	RESULT
<p>1. Initial Application with FSA</p>	<p>a. Producer visits local FSA office and provides a recent water use report with water user permit number for offered acreage. FSA enters water right number in CREP database to determine general eligibility.</p> <p>b. If a water right is ineligible and no registry number is assigned, print a screen capture and send an electronic copy to State CREP coordinator. If ineligible and a registry number is assigned, save the file and notify State CREP coordinator.</p> <p>c. If producer's water right meets basic eligibility as determined by CREP database, producer identifies physical location of acres and CREP practice (identify on an aerial photo). FSA uses CRP-GIS tool, and determine total # acres within CREP boundary and within HUCs. FSA estimates federal payment rate through CREP calculator. FSA reviews with producer total incentive package on another tab (includes state upfront payments, cost share, SIPs, PIPs if apply, etc.)</p> <p>NOTE: FSA follows normal continuous enrollment processing found in 2-CRP, Part 7, Section 3.</p> <p>Producer initiates process by signing CRP-2C and CRP-1. NOTE: Applicant signs CRP-2C and CRP-1 based on application acres. The forms will be finalized based on actual contracted acres after water right review.</p> <p>d. FSA informs producer of process and works in conjunction with NRCS to determine appropriate practice. Producer is provided a packet with the process and practices. Producer is provided a sheet listing guidelines for cover crop establishment on sandy sites associated with CREP acres. If producer has questions on a water right issue, he/she is directed to a) DWR or GMD on water right termination issues; b) KDA-DOC for state upfront payments and Shareholder Agreement; and c) KWO for wetland bonus payment. NOTE: No water right is terminated without an approved, signed CREP contract.</p>	<p>a. FSA enters water right number into database and a register number is automatically assigned. This state developed database indicates eligibility based on water right information and location.</p> <p>b. If ineligible on CREP database, process stops here. Producer can contact DWR or GMD to review water use history.</p> <p>c. Save an electronic copy of estimated total CREP payments and send to CREP coordinator.</p> <p>d. State forms are updated with producer information from CREP Calculator tab. FSA prints out a copy for producer, but send to State staff for additional information.</p> <p>Producer is to sign, get additional signatures if needed, make a copy for personal record, and mail all state forms to State CREP Coordinator.</p>

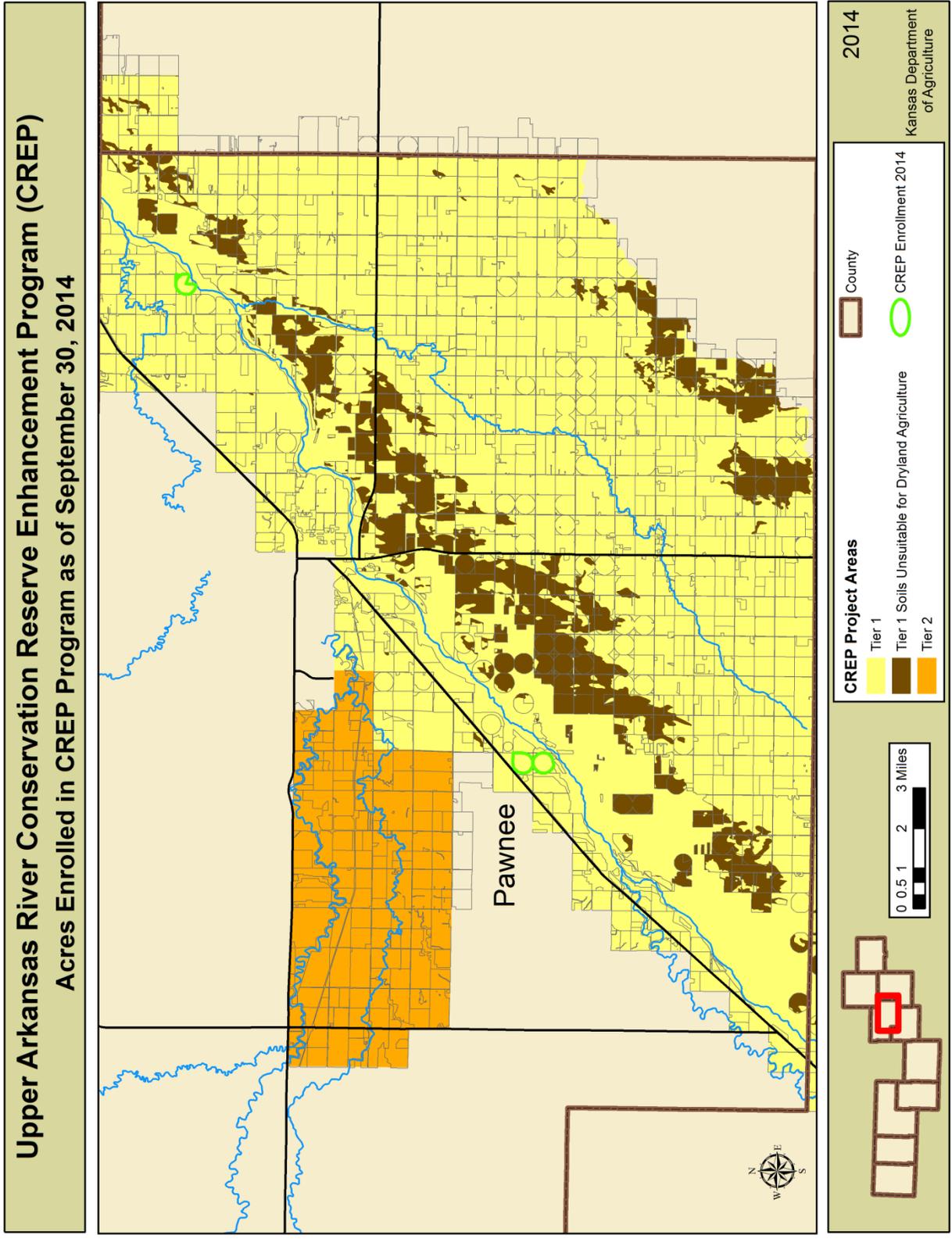
STEP	ACTION	RESULT
2. FSA	<p>a. Determination of basic Federal CREP Eligibility (FSA County Office) Example: ownership, person, land, practice, cropping history, CRP acreage cap. Ensure all eligibility requirements as provided in subparagraph 181 in 2-CRP Procedures Manual are met.</p> <p>b. If eligible, FSA recommends conservation practices for application acres, and FSA provides NRCS a copy of CRP-2C. Copy State CREP Coordinator and producer on CRP-2C and map with recommended practices.</p> <p>c. If ineligible based on Federal criteria, FSA notifies producer and copies State CREP coordinator. Explain appeals process to applicant.</p>	<p>a. FSA enters supplemental information related to practices and acres offered into CREP database.</p> <p>b. If eligible, process moves forward with NRCS and State CREP coordinator.</p> <p>c. If ineligible on federal criteria, producer can review with FSA.</p>
3. DOC	<p>a. State CREP Coordinator receives CRP-2C and map from FSA, and reviews for state eligibility, including county cap of 25% of total CREP acres. If not eligible, inform producer of finding and explain review process. State CREP coordinator determines predominant tier of irrigated acres in application, in consultation with FSA office.</p> <p>b. Review water right termination form for manageable unit and eligibility. 1) Identify if water right needs to be divided or if application acres have overlapping water rights. If yes, go to Step 3B. 2) Identify if application acres have both a groundwater right and ditch water irrigation. If yes, go to Step 3C. 3) Identify if application acres unsuitable for dryland farming; if yes, notify owner he/she has option of requesting limited irrigation condition on water right termination to establish vegetative cover.</p> <p>c. After steps 3B & 3C are complete, if needed, and application meets state eligibility, sign water right termination form and forward it to DWR and copy FSA County Office with current status of application and file completion.</p> <p>d. Enter necessary information on application for SUP.</p> <p>e. Check GIS coverage for Tamarisk on application acres; note it on a file with applicant's name and HUC 8.</p> <p>f. Forward to KWO contract sheet for wetland bonus on CP-9, if applicable, with update on application status.</p> <p>g. Notify producer if application meets state eligibility and if all forms are in order. Provide information on State cost share for well plugging and tamarisk control and see if interested in participation.</p>	<p>a. If applicant doesn't meet state eligibility, explain applicant can meet with DOC to review application.</p> <p>Predominant tier will determine SUP rate.</p> <p>b. If needed, CREP coordinator notifies producer to meet with DWR on water right changes, or to get signatures on shareholder agreement and return to DOC (see 3B and 3C). Copy DWR on the referral.</p> <p>Owner may consider limited irrigation option if soils predominantly unsuitable for dryland farming, and discuss it with FSA as part of CPO, and request it from DWR, if desired.</p> <p>c. Inform FSA office and producer on preliminary status of state eligibility and file completion.</p> <p>d. SUP is to be shared with participants in same arrangement as on CRP contract.</p> <p>e. Notify KWO Tamarisk control Program Manager</p> <p>f. Wetland bonus is to be shared with participants in same arrangement as on CRP contract.</p>

STEP	ACTION	RESULT
3B. DWR and DOC	<p>If needed:</p> <ul style="list-style-type: none"> a. Applicant meets with DWR or GMD to request necessary changes on water right. DWR or GMD flag change forms as a CREP Application. b. DWR completes process to adjust water right or place of use, so that a water right can be retired on CREP application acres. c. State CREP coordinator re-evaluates application based on split water right or adjusted application acres to confirm eligibility and maximum acres. 	<ul style="list-style-type: none"> a. Water right may need to be legally split or eligible place of use adjusted, so that a manageable unit is available for CREP enrollment. b. DWR copies CREP coordinator on changed water right information. c. DOC notifies producer and FSA County Office of re-evaluated application, maximum acres and file completeness.
3C. DOC	<p>If needed:</p> <ul style="list-style-type: none"> a. CREP Coordinator receives a signed copy of CREP Shareholder Agreement (KCREP_SA_03). Application acres with both a ditch surface irrigation and a groundwater right, must file this form to not deliver ditch company surface water on specific tract(s) while enrolled in a CREP contract. b. When CREP Coordinator receives a fully signed form, update CREP database, and notify FSA County office and DWR. 	<ul style="list-style-type: none"> a. Applicant gets Irrigation Association or Ditch Company's signature, and returns signed shareholder agreement to CREP Coordinator. b. Enrolled acres cannot be irrigated by surface water during the life of the CREP contract. The associated groundwater right must be terminated.
4. DWR	<p>Receives owner and DOC signed water right termination form.</p> <p>NOTE: The termination of the water right is conditional upon final approval of CREP contract. The CRP-1 is not approved by the COC at this point.</p>	<ul style="list-style-type: none"> a. Water right termination form will be held by DWR, and cannot be processed without a copy of producer and FSA signed CRP-1 contract.
5. NRCS	<p><u>If needed:</u></p> <p>NRCS makes a site visit to determine suitability of practice, needs and feasibility.</p>	<p>NRCS notify FSA County Office of practice suitability. Use CRP-2C form.</p>
6. FSA and NRCS	<ul style="list-style-type: none"> a. When DOC indicates application file is complete, FSA makes an appointment with applicant to finalize application at county office. b. FSA completes CRP-2C and CRP-1 for irrigated & dryland acres. c. NRCS develops CPO, and fills out CPA-52, CED completes & signs CPA-52. Identify if soil and climate conditions make this site at risk for wind erosion during seeding and special cover crop considerations should be included. 	<ul style="list-style-type: none"> a. Finalize application and adjust final contracted acreage at the county office. Enter the effective date and actual contracted acreage and practice totals to the CREP database.

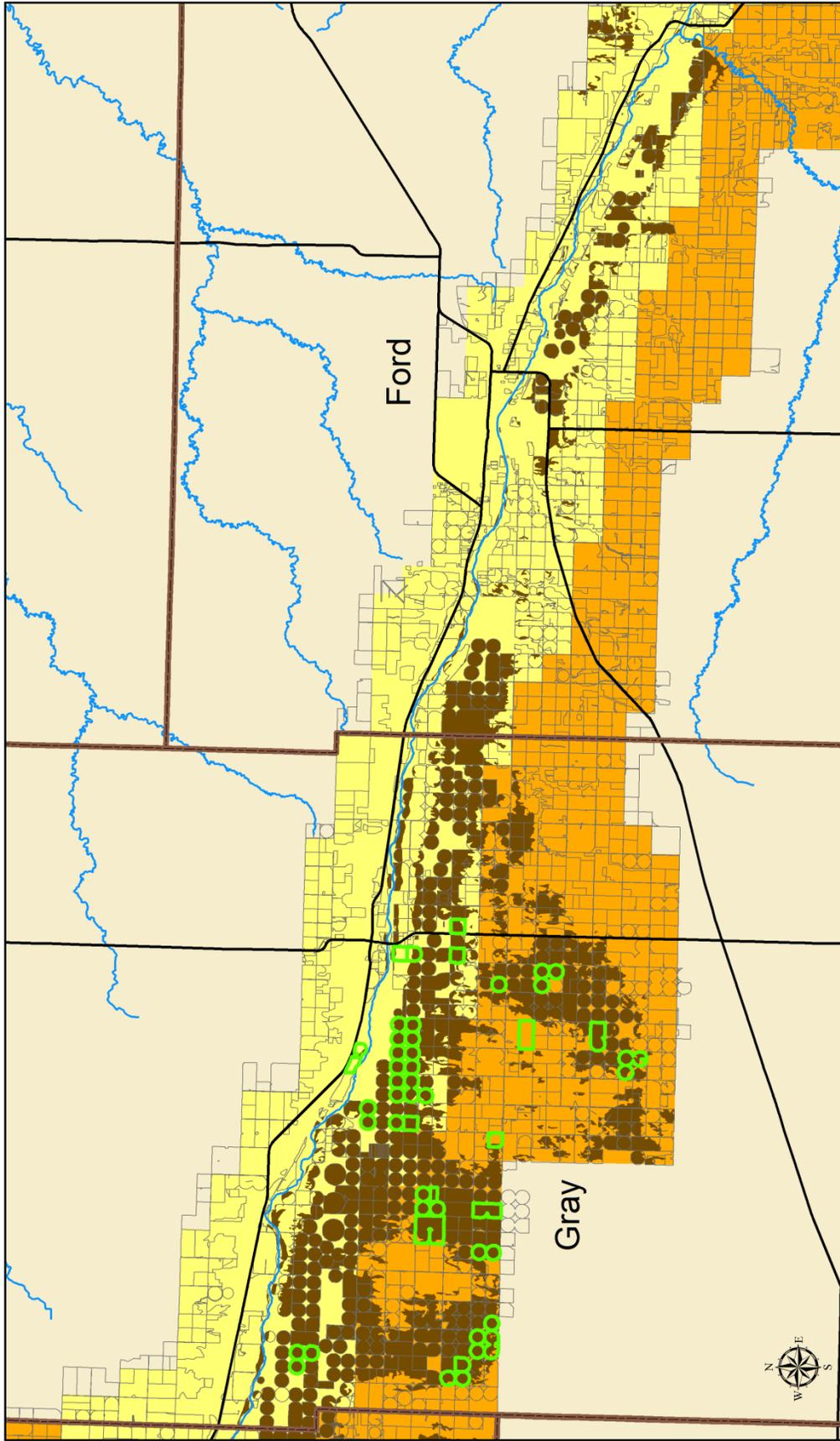
STEP	ACTION	RESULT
7. FSA with producer	<ul style="list-style-type: none"> a. County FSA meets with producer to complete application materials. b. Producer signs CPO. c. Notify CREP Coordinator Producer has signed CRP-1 and CPO 	
8. FSA, DWR, and DOC	<ul style="list-style-type: none"> a. FSA County office confirms by faxed receipt and verification of CREP database, that water termination agreement has been signed by producer and evaluated by DWR. b. COC approves CRP-1 and CPO. c. FSA sends a copy of CRP-1 and map to DWR Appropriations Manager and to State CREP Coordinator, and notifies NRCS. <p>Important: County office must redact (strike) the participants' taxpayer id number(s) prior to providing a copy of the CRP-1 to DWR or DOC.</p>	<ul style="list-style-type: none"> a. FSA notifies producer. DWR updates CREP database. b. FSA County office updates CREP database with COC approval date.
9. DWR, DOC, and FSA	<ul style="list-style-type: none"> a. DWR receives the copy of signed CRP-1 and issues the water right termination order by the Chief Engineer. DWR sends order to owner, with a reminder owner is responsible for filing a copy with County Registrar of Deeds. DWR provides a copy to State CREP coordinator. b. DOC notifies FSA county office of agreement completion, and updates CREP database. 	<ul style="list-style-type: none"> a. As applicable, FSA approves and pays SIP. b. As applicable, State CREP Coordinator approves and pays SUP to participants as share on CRP contract.
10. NRCS or producer, FSA, DOC, and KWO	<ul style="list-style-type: none"> a. NRCS conducts an on-site review of practice installation and submits to FSA certified AD-862 certifying installation, or producer submitted certification of practice (Form AD-245). b. FSA sends a copy of AD-862 or AD-245 to Pheasants Forever/Quail Forever, and CREP coordinator. c. CREP coordinator notifies KWO of CP-9 practice installation, where eligible for wetland bonus payment, and updates CREP database. 	<ul style="list-style-type: none"> a. As applicable, FSA issues PIPs, Hydrology, and cost share payments. b. PF/QF pays up to \$500 / producer for seeding cost share. c. KWO pays wetland bonus on CP-9, to participants as share on CRP contract.

ATTACHMENT D

MAPS OF ACRES OFFERED FOR ENROLLMENT IN THE UPPER ARKANSAS RIVER CONSERVATION RESERVE ENHANCEMENT PROGRAM (CREP) BY COUNTY AS OF September 30, 2014



**Upper Arkansas River Conservation Reserve Enhancement Program (CREP)
Acres Enrolled in CREP Program as of September 30, 2014**



2014
Kansas Department of Agriculture

CREP Project Areas

- Tier 1
- Tier 1 Soils Unsuitable for Dryland Agriculture
- Tier 2

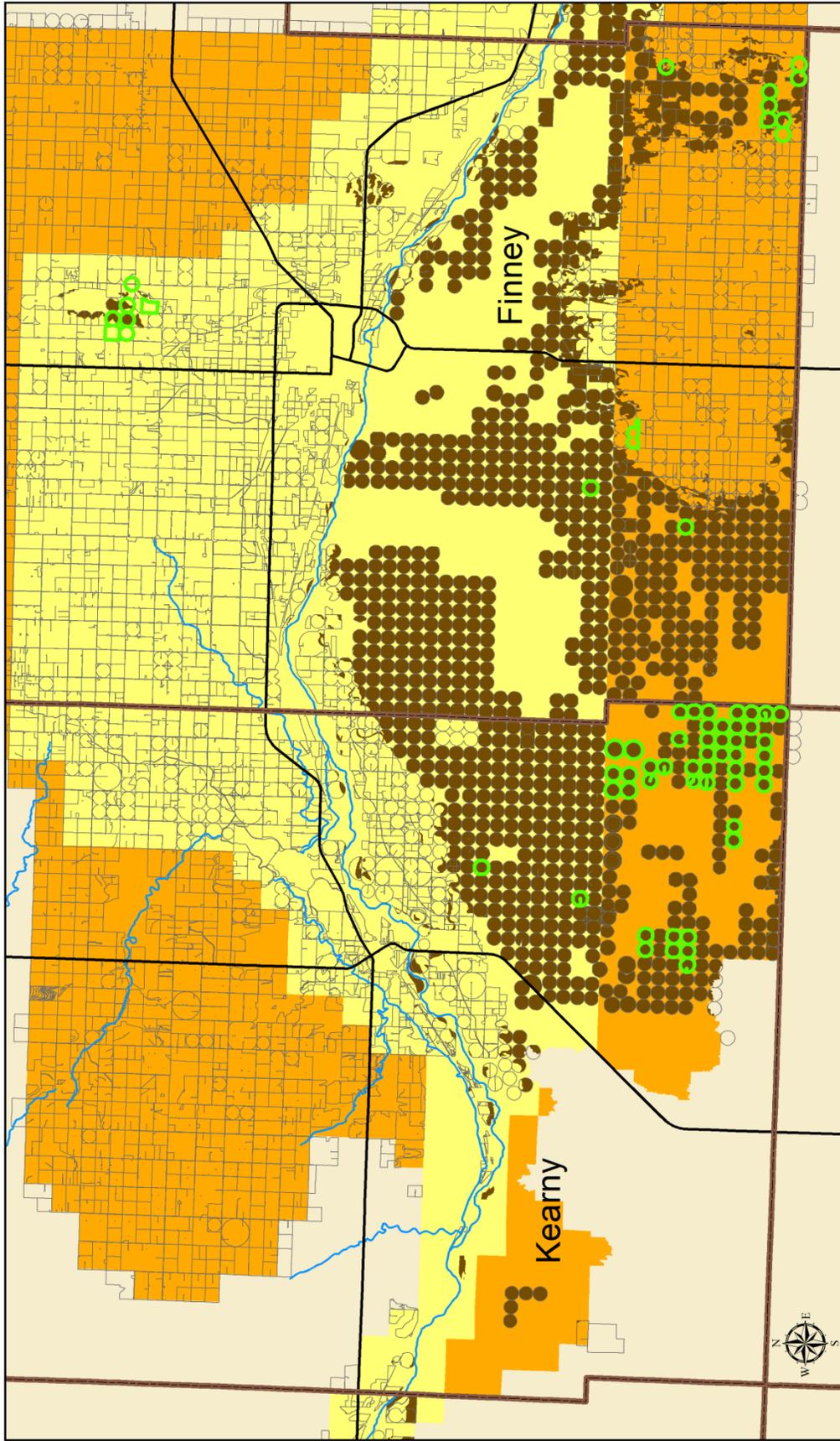
County

CREP Enrollment 2014

0 1 2 4 6 Miles

Upper Arkansas River Conservation Reserve Enhancement Program (CREP)

Acres Enrolled in CREP Program as of September 30, 2014



2014
Kansas Department of Agriculture

CREP Project Areas

- Tier 1
- Tier 1 Soils Unsuitable for Dryland Agriculture
- Tier 2

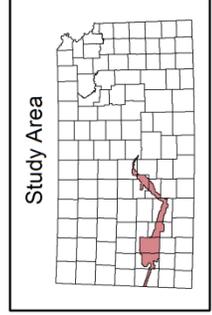
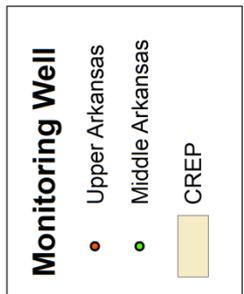
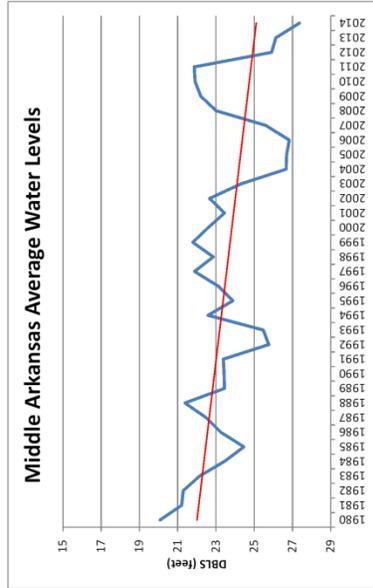
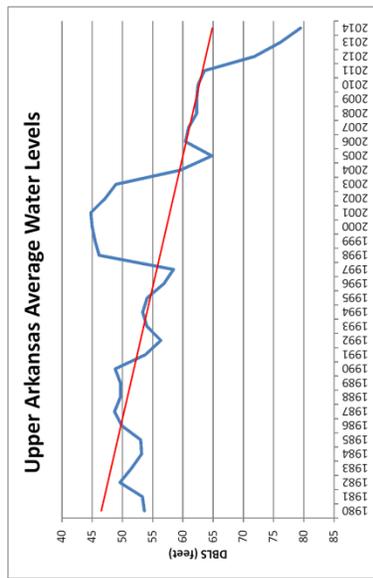
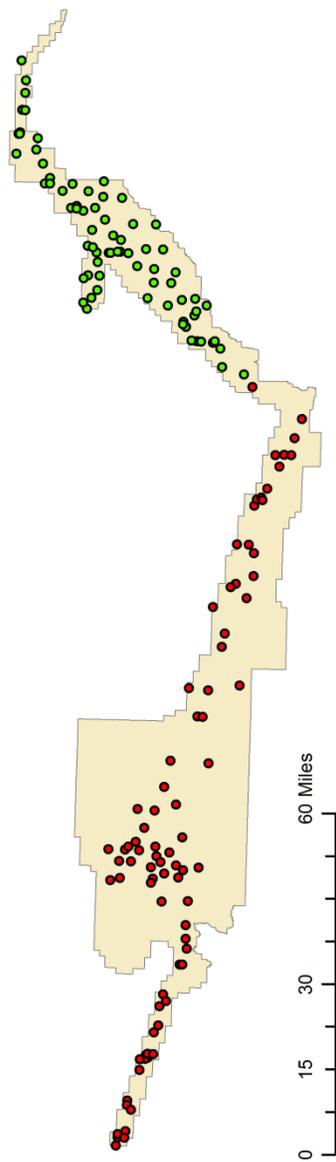
CREP Enrollment 2014

- County
- CREP Enrollment 2014

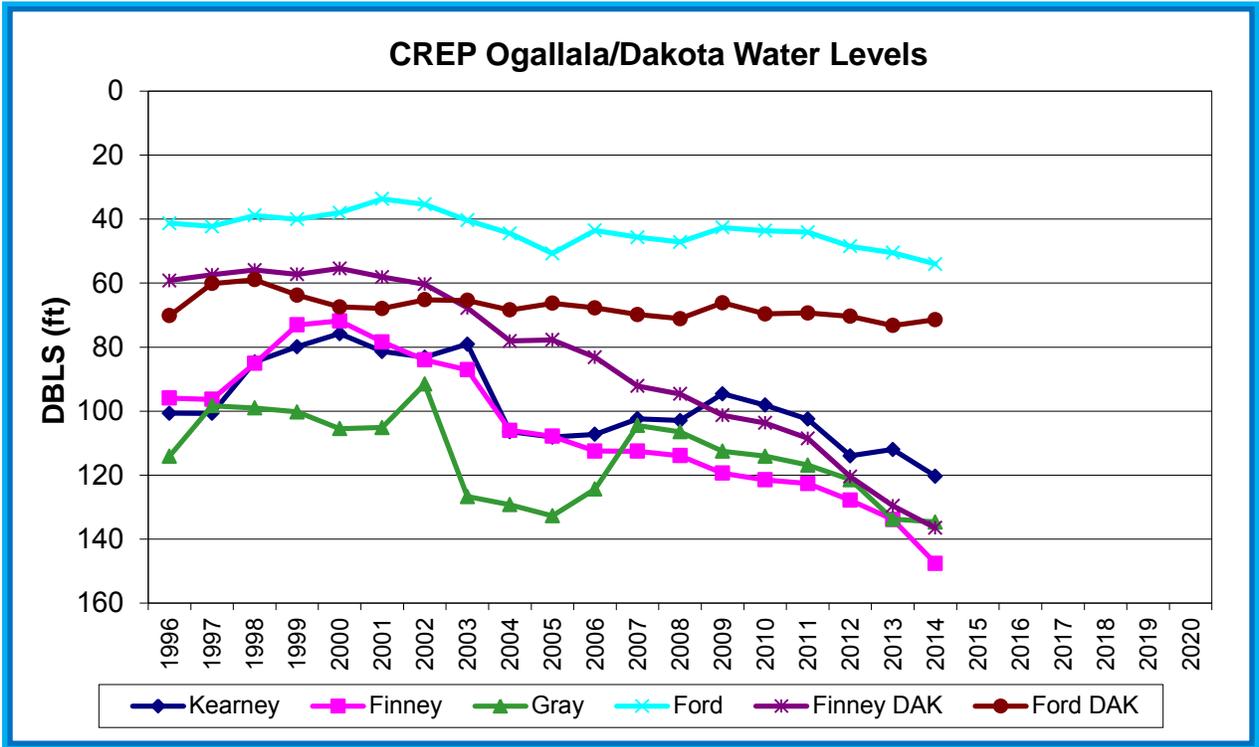
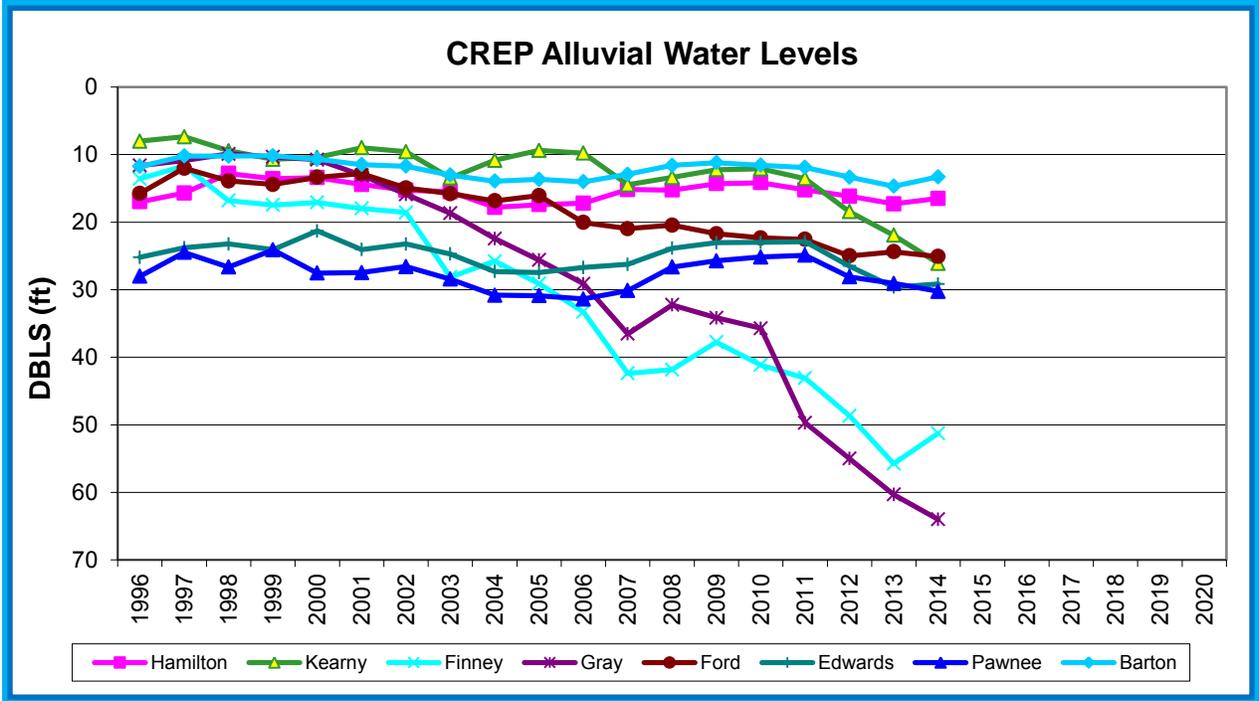
0 1 2 4 6 Miles

Attachment E Monitoring Wells and Average Groundwater Levels

Monitoring Wells and Average Groundwater Levels Upper and Middle Arkansas CREP Area 1980-2014




 Kansas Department of Agriculture
 Division of Water Resources
 Basin Management Team
 December 16, 2014



Attachment F Steering Committee Minutes

CREP Steering Committee Meeting Friday, September 29, 2014 1:00 PM KDA Conference Room

Attendees:

Steve Frost and Greg Foley (DOC); Rod Winkler and Carla Wikoff (FSA); Dean Krehbiel (NRCS); Ginger Pugh (DWR); **Joining by phone:** Susan Stover and Diane Knowles (KWO); Don Whittemore (KGS); Jason Norquest (GMD#3).

Proceedings:

Steve started the meeting with introductions and updating enrollment numbers for the CREP program during the last federal fiscal year – October 1, 2013 to September 30, 2014:

County	Total Acres
BT, ED, FO, HM, RI, SF	0
FI	2110.5
GY	6701.3
KE	6581.7
PN	372.4
Program Total to Date	15765.9

- * 93 approved state contracts approved for the enrollment of 15,765 total acres by FSA
- * 15,469 irrigated acres approved to be permanently retired from dismissed water rights
- * 108 water rights on 143 wells / 31,965 AF of authorized quantity permanently retired
- * 85% of enrolled acres are located on “Tier 1” or “Tier 1 Unsuitable” soils
- * \$947,947 has been contracted by the state for up-front signing incentive payments
- * \$22 Million (approx.) will be paid out by FSA over the next 14-15 years

No new offers were received during this fiscal year. CRP enrollment was suspended during most of the 2013 – 2014 program year due to Congressional delays of passing a new Farm Bill. FSA has just again approved additional rental rate increases. All project HUCs now reflect rental rates of \$153 - \$193 per acre on irrigated land (recently increased from \$110 - \$140, which was increased from the very first rates of \$100 - \$125).

8-Digit HUC & Irrigation System Type	December 6, 2007 Irrigated Rental Rates (\$/AC)	June 25, 2010 Irrigated Rental Rates (\$/AC)	October 27, 2014 Irrigated Rental Rates (\$/AC)
11030001 - Pivot	110	120	160
11030001 - Gravity	100	115	153
11030003 - Pivot	115	125	161
11030003 - Gravity	105	120	154
11030004 - Pivot	125	140	183
11030004 - Gravity	115	130	176
11030005 - Pivot	120	130	166
11030005 - Gravity	110	120	159
11030006 - Pivot	120	130	161
11030006 - Gravity	110	120	154
11030008 - Pivot	125	135	193
11030008 - Gravity	115	125	186

Accordingly, the State of Kansas will also have to raise its landowner payments to meet the CREP MOA requirement of to maintaining a 10% match of the program costs with direct cash. The current incentive payments of \$62/ acre (Tier 1 soils) and \$35/acre (Tier 2 Soils) will likely have to be raised to about \$95 and \$54 (53%). A similar increase in indirect match will also be necessary.

With a 2014 Farm Bill Adoption, the FSA's CREP requirements on cropland and irrigation eligibility shifted from the years 1996 – 2001 to 2008 – 2013. The State of Kansas is now needs to concurrently update and amend its water use eligibility period from 2001 – 2005 to 2009 – 2013 (or a rolling five year window).

To accommodate possible future expansion of county acreage caps, FSA has suggested revised MOA wording as follows: "FSA State Committee may, in consultation with Kansas Department of Agriculture, Division of Conservation, establish maximum total acreage enrollment levels for any or all counties in the CREP project area. Fully eligible offers will be accepted for CRP contracts on a first-come, first-served basis." instead of the current "No more than 7,238 acres can be enrolled at any one time under this agreement in Kansas. Fully eligible offers will be accepted for CRP contracts on a first-come, first-served basis."

To be implemented, this language would also have to be approved by our legislature in an annual appropriations bill at some time in the future. **The most immediate program goal is to stimulate more activity in counties that have had little enrollment.**

Enrollment has had several peaks and valleys since the project start date on December 20, 2007. A very large peak occurred upon the initial program rollout, and another small peak occurred after irrigated rental rates had been raised by FSA in 2011. **Enrollment has been very slow again during the severe drought years of 2012 - 2014.** Even though precipitation patterns returned to more of a normal summer in 2014, producers were apparently cautiously reluctant to consider enrolling any additional acres prior to the field working season.

Program Year	2008	2009	2010	2011	2012	2013	2014	
Total Acres	6,377	4,011	378	247	4,079	673	0	15,765

The drought seems to be the biggest current issue in the program regarding enrollment of water rights, as well as the associated establishment / maintenance of grass stands. Water levels in the project area have been significantly affected due to increased pumping to make up precipitation deficits. **The summer of 2014 saw a return to more "normal" rainfall patterns in Southwest Kansas which seems to have had a drastic impact on land covers in the sandhill areas.** Crop / commodity and land prices are de-escalating again, and this may also help to elicit some additional program interest.

When these proposed program adjustments are made, DOC will be prepared to provide another round of direct mailing letters and public notices to landowners within the project area who appear to have eligible water rights. The total project limit is currently 28,950 acres with an individual county cap of 7,237.5 acres - 2,470 qualifying water rights are still potentially eligible for enrollment in the project area.

Greg Foley discussed the Governor's 50 year water vision planning process and how it could impact the current CREP project. Greg also mentioned the significant possibility that an additional CREP project could be launched in the near future – one that might focus on water quality and nutrient management.

Agency Reports / Special Comments from the Agencies:

FSA – Rod Winkler discussed the implications of the recently passed Farm Bill legislation and the activity which FSA is now undergoing related to implementation and rule writing. Carla Wikoff discussed the adoption process related to the revised irrigated and dryland rental rates, and also procedures for incorporating those rates into the CREP program. FSA and DOC will need to incorporate the adjustments into the CREP calculator tool used by the county offices to assist landowners. Rod and Carla also discussed recent conversations with

the national CREP program officer, Paul Harte, about how DOC can make some needed changes in the water use analysis periods and other minor program adjustments. If approved by FSA, and then by the 2015 Kansas Legislature, DOC will be ready to roll out a revamped program. Additional education / orientation activities will take place in the project during the spring in advance of another public information effort.

NRCS – Dean Krehbiel reported on the field tour which NRCS organized on May 7, 2014. 14 team members participated in reviewing CREP grass stands which have suffered the effects of severe drought. NRCS staff members are still undertaking investigations to address alternative cover species and the ability to produce seed and rhizome stocks of potentially adaptable plant varieties. A rangeland scientist from Ft. Hays University is being engaged to assist in the effort. NRCS staff members in Kearny, Finney and Gray counties have reported that landowners are experiencing a lot of problems with their ability to irrigate the cover crops and grass seeds for a couple of reasons – 1) some fields were fully established and the producers have since removed the irrigation systems; and 2) water levels in the areas of CREP enrollments have decreased so significantly in the last few years that full or even partial irrigation is no longer physically possible or economically feasible. However, Dean also reported that the summer season of near normal rainfall over most of the project area enrollments has resulted in significantly improved covers to the land, even if some of them are just annual plants which can still help to hold the soil from blowing.

KWO – Susan Stover and Diane Knowles reported on some of the current budget / funding issues in the Kansas Legislature and what can be done to extend the CREP programming. Despite interest in wetlands-related activities in other programs, Diane again reported that (to date) no applications have been received for the “shallow water wetland area” practices in the Upper Ark River CREP program (because so little of the CREP enrollment is occurring north of the river where most wetlands are located).

DWR – Ginger Pugh was introduced as the staff member who is now working with DWR related activities in the CREP program. She reported that the Information Technology staff within the Kansas Department of Agriculture is reviewing the functions and security of the web site programming where the CREP webpage now resides. The IT staff is recommending that the software and security protocols on the website be updated, and Ginger has been assisting in the effort to determine what changes might be beneficial / necessary. She described some of the details which might be involved in reworking the rental rates and GIS shape files which allow FSA personnel to utilize the “CREP Calculator” functions in assisting landowners with making offers. Ginger offered her assistance to any team members needing assistance during the transition.

KGS - Don Whittemore mentioned a new Dakota Aquifer bulletin related to research in and around the CREP project area which is now available. He reported on many of the activities that KGS is currently undertaking in the GMD#3 area including a “paleovalley” area of interest in Hamilton County. His agency continues to monitor water levels at Larned, and is also working on uranium issues in the basin. And further, because of the serious impacts that the drought is imposing, KGS is still examining the correlation between water levels and climate indices – correlating water use with water levels. He stated that there is a significant correlation in GMD#3, which is where almost all CREP enrollment is occurring. Don’s staff also continues to review information from the water level program and evaluating raw data from various impairment areas. He also stated that additional “index wells” are being installed in Southwest Kansas. This should be very helpful to obtaining more good monitoring information in the future.

GMD3 – Jason Norquest reported on some of the district activities related to the Governor’s 50 year water vision planning initiative, and on some of the current water conditions in the area. The district staff feels there is still interest in CREP enrollments and that potential enhancements can be helpful in securing additional offers. Jason asked about the NRCS process for inspecting CREP grass stands, especially ones that were planted in the first year of the program. He also stated that the district is still hoping that something can be done about the requirement for landowners to file term permits on an annual basis if additional time to irrigate cover crops and emerging grass stands is needed.

Data Needs for Monitoring Results:

It was again noted that many of the monitoring activities which are incorporated in the CREP MOA are difficult for the agencies to significantly undertake at this time – or to determine any significant changes in results or impacts due to the CREP project. Even though enrollment is still increasing at this time, almost the entirety of the enrollment has been located in areas of the Tier 1 / Unsuitable soils which will require continued irrigation for another couple of years. We have yet not seen any significant water use curtailment to monitor, and the recent drought continues to exacerbate this situation.

Enhancing Enrollment during 2014 – 2015:

Now that FSA has increased the rental rates again, FSA and DOC will conduct another round of staff training and landowner information activities in the project area – if the proposed streamlined MOA amendments are formally approved by the FSA office and the Kansas Legislature during the 2015 session. Kansas is still looking for more ways to increase interest and enrollment in the CREP project. DOC, KWO and the GMDs will work to re-market and promote the program noting the higher rates and the successes of the grass establishment strategies.

Recommendations for Future Modifications to CREP Program Rules / Procedures:

A general discussion followed about the state's FY2016 budget forecasts and the possible ramifications to future CREP funding. On the state side, the program is currently authorized by the Kansas Legislature until June 30, 2015. DOC currently has a FY2015 budget allocation of \$555,242 which must be shared with WTAP.

Identification of Other Issues:

In regard to the annual report, Steve asked that all the team entities get their costs and narratives of activities in by early November. The next annual report is based on the federal fiscal year of October 1, 2013 to September 30, 2014.

Conclusion:

The steering committee members were sincerely thanked for their time and efforts in fulfilling the mission of the CREP program. The meeting was concluded at 2:47 PM.



TENTATIVE 2015 SCC Spring Workshops

Area I SCC Spring Workshop

March 3, 2015

American Legion Hall

235 Main Street

Grainfield, KS

Area II SCC Spring Workshop

March 4, 2015

Finney County Fair Grounds

4H Building, 309 Lake Ave.

Garden City, KS

Area III SCC Spring Workshop

March 5, 2015

Hutchinson Community College

Shears Technology Theatre

1300 North Plum

Hutchinson, KS

Area IV SCC Spring Workshop

March 10, 2015

Pottorf Hall, CiCo Park

1710 Avery Ave.

Manhattan, KS

Area V SCC Spring Workshop

March 11, 2015

Old Iron Club

10392 Jade Road

Fredonia, KS

SCC Meeting

January 12, 2015

Conservation District Audit Guidelines and Procedures Review

Issue:

The SCC has chosen to review the conservation district audit guidelines and procedures. There is concern the current audit guidelines and procedures are too costly for the product received. There is also concern the agreed upon procedures audits are inadequate to ensure financial integrity of districts.

Authority:

K.S.A. 2-1907a: *"The supervisors shall provide for.....an annual audit of the accounts and receipts and disbursements."*

K.S.A. 75-117 and 75-1122: *"Conservation districts are included in the definition of municipality in K.S.A. 75-1117 and are thus subject to the regulatory audit requirement under K.S.A. 75-112 if they have gross annual receipts in excess of \$275,000. (There is a possibility that the \$275,000 requirement could be increased to \$500,000 in the 2015 legislative session).*

Staff Research:

1. Reviewed other states auditing procedures (*obtained from staff attendance at National Association of Conservation District, NASCA meeting in 2010*).
2. Staff met with Municipal Accounting, DOA in Topeka and discussed concerns with their staff.

Possible Options:

Reduce cost:

None

Increase thoroughness of conservation district audits:

1. All conservation district conduct a GAAS audit (generally accepted auditing standards – costly \$4,000>).
2. The DOC could explore ways to employ a CPA and use KSU students to assist in conducting district audits relieving districts of the audit expense (cost?).

Staff Recommendations:

1. Provide a board checklist to be completed and signed at each board meeting outlining specific items to review for completeness and accuracy
2. Conduct supervisor training on district financial management
3. Require districts to complete a self-audit annually and submit it to the DOC
4. Request an addition to the agreed-upon procedures checklist (if not cost prohibitive):
 - a. Review the districts credit card policy and record in audit summary
 - b. Require the districts to have their name on the credit card

Resolution No. 1: Fiscal Year 2016 and Fiscal Year 2017 Division of Conservation Budget

WHEREAS, financial and technical assistance needs have been identified in high priority Total Maximum Daily Load watersheds of the Kansas – Lower Republican, Lower Arkansas, Marais Des Cygnes, Missouri, Neosho, Upper Arkansas, Verdigris, Walnut, Smoky Hill/Saline, Upper Republican, Cimarron, and Solomon River Basins; and

WHEREAS, a need exists to improve and sustain the State’s rivers, streams and aquifers with conservation grants; and

WHEREAS, the State Water Plan has identified the priority watershed areas that need assistance to address non-point source pollution problems, reduce urban and rural flooding, and to reduce stream bank erosion and degradation of riparian areas; and

WHEREAS, conservation districts have established a need for cost-share incentives to address local concerns; and

WHEREAS, the conservation provisions of the Agricultural Act of 2014 (the 2014 Farm Bill) have increased the demand for conservation technical assistance; and

WHEREAS, a need for priority multipurpose small lakes projects, watershed dam construction and rehabilitation, restoration of water supply systems, and riparian and wetland protection was identified in the State Water Plan; and

WHEREAS, the Division of Conservation is responsible for carrying out programs of state assistance to conservation districts, state assistance in watershed dam construction, water resources cost-share, riparian and wetland protection, multipurpose small lakes, non-point pollution control, water quality buffer initiative, water rights purchase\water transition assistance, water supply restoration and surface mining land reclamation;

THEREFORE, BE IT RESOLVED, that the Kansas Association of Conservation Districts supports the Division of Conservation’s FY 2016 and FY 2017 budget request as described below, and in addition, supports the Division’s request for appropriation language allowing the carryover of funds from the current fiscal year to FY 2016; as well as the carryover of funds from FY 2016 to FY 2017;

STATE GENERAL FUNDS:	<u>FY 2016</u>	<u>FY 2017</u>
Administrative Operations	\$ 484,446	\$ 503,621
STATE WATER PLAN SPECIAL REVENUE FUNDS:		
Aid to Conservation Districts	\$2,092,637	\$2,092,637
Water Resources Cost-Share	\$1,948,289	\$1,948,289
Water Supply Restoration	\$ 258,156	\$ 258,156
Non-Point Source Pollution	\$1,858,350	\$1,858,350
Watershed Dam Construction	\$ 576,434	\$ 576,434
Riparian and Wetland Protection	\$ 152,652	\$ 152,651
Water Quality Buffer Initiative	\$ 249,792	\$ 249,792
Conservation Reserve Enhancement Program\WTAP	<u>\$ 449,577</u>	<u>\$ 449,578</u>
Subtotal – State Water Plan Special Revenue Funds	\$7,585,887	\$7,585,887
FEE FUNDS:		
Land Reclamation Fee Funds	\$ 139,943	\$ 153,992
Agricultural Liming Material Fee Funds	<u>\$ 58,481*</u>	<u>\$ 52,419*</u>
Subtotal – Fee Funds	\$ 198,424	\$ 206,411
FEDERAL FUNDS:		
Federal Grant Funds	\$ 210,378	\$ 181,279
OTHER FUNDS:		
Kansas Dept. of Health & Environment contract	\$ 50,000	\$ 50,000
Kansas Dept. of Wildlife, Parks & Tourism contract	<u>\$ 75,000</u>	<u>\$ 75,000</u>
Subtotal – Other Funds	\$ 125,000	\$ 125,000
TOTAL - BUDGET REQUEST	<u><u>\$8,604,135</u></u>	<u><u>\$8,602,198</u></u>

SUPPLEMENTAL BUDGET REQUEST FOR FY 2016 and FY 2017:

The Kansas Association of Conservation Districts unilaterally advocates the Kansas Legislature to fully fund the Aid to Conservation Districts program as per K.S.A. 2-1907c. The 2015 annual budgets submitted by each district contain county certification of the amount allocated to each county for calendar year 2015. These budgets serve as the basis for the Division of Conservation’s FY 2016 and FY 2017 State Aid to Conservation District request. The Kansas Association of Conservation Districts requests full funding of Aid to Conservation Districts in the amount of **\$297,917** for FY 2016 and **\$297,917** for FY 2017 to meet county conservation district budget needs.

***Sunset Provision will expire on 07/01/2015 which will result in lower fees / receipts for FY 2016 moving forward.**

406/410 series report

Dept. Name: Conservation
 Agency Name: Department of Agriculture
 Agency Reporting Level: 046-00-65005-7065010-0000-000
 Version: 2016-A-02-00046

Date: 10/01/
 2014
 Time: 13:42:19

Division of the Budget
 KANSAS

Fund Code	FUND/ACCOUNT TITLE	FY 2014 Actuals	FY 2015 Base Budget Request	FY 2016 Base Budget Request	FY 2016 Adjusted Budget Request	FY 2017 Base Budget Request	FY 2017 Adjusted Budget Request
0053	OPERATING EXPENDITURES	484,249	484,447	484,446	484,446	503,621	503,621
1000	SUBTOTAL STATE GENERAL FUND	484,249	484,447	484,446	484,446	503,621	503,621
1205	SWPF-WATER RESOURCE COST SHA	1,993,295	2,341,827	1,948,289	1,948,289	1,948,289	1,948,289
1210	SWPF-NONPOINT SOURCE POLL ASS	1,844,331	2,227,938	1,858,350	1,858,350	1,858,350	1,858,350
1220	SWPF-CONSERVATION DISTRICT AID	2,322,691	2,096,093	2,092,637	2,092,637	2,092,637	2,092,637
1225	SWPF-CONSERV RESV ENHANCE PRG	393,914	555,578	449,577	449,577	449,578	449,578
1240	SWPF-WATERSHED DAM CONST	633,733	583,245	576,434	576,434	576,434	576,434
1250	SWPF-WATER QUALITY BUFFER INTV	254,494	290,692	249,792	249,792	249,792	249,792
1260	SWPF-RIPARIAN & WETLAND PRG	170,512	153,640	152,652	152,652	152,651	152,651
1275	SWPF-LAKE RESTORATION	286,868	258,156	258,156	258,156	258,156	258,156
1290	Streambank Stabilization	0	750,000	0	0	0	0
1800	SUBTOTAL STATE WATER PLAN FUND	7,899,838	9,257,169	7,585,887	7,585,887	7,585,887	7,585,887
1200	AGRICULTURAL LIMING MAT FF	1,188	0	58,481	58,481	52,419	52,419
2118	SUBTOTAL AGRICULTURAL LIMING MAT FF	1,188	0	58,481	58,481	52,419	52,419
2510	BUFFER PARTICIPATION INCTV FD	75,000	75,000	75,000	75,000	75,000	75,000
2515	KDHE CONSERVATION TECH TA	0	50,000	50,000	50,000	50,000	50,000
2517	SUBTOTAL BUFFER PARTICIPATION INCTV FD	75,000	125,000	125,000	125,000	125,000	125,000
2090	LAND RECLAMATION FF	227,038	173,412	139,943	139,943	153,992	153,992
2542	SUBTOTAL LAND RECLAMATION FF	227,038	173,412	139,943	139,943	153,992	153,992
3705	WTRSHD PROT APRCH-WTR RSRC M	26,397	0	0	0	0	0
3880	WRE RSRC MGM-BRF COOR EPA/KDH	42,940	21,633	0	0	0	0
3889	SUBTOTAL 66.460 WTRSHD PROT APRCH-WTR R	69,337	21,633	0	0	0	0
3800	NRCS-CONTB AGRMT-02 FRM BL-FDF	0	0	0	0	0	0
3825	NRCS-STREAM BANK/WATER QUALITY	184,126	206,174	210,378	210,378	181,279	181,279
3917	SUBTOTAL 10.912 NRSC CONTB AGREEMENT	184,126	206,174	210,378	210,378	181,279	181,279
7000	GIFTS AND DONATIONS FD	90,000	0	0	0	0	0
7305	SUBTOTAL GIFTS AND DONATIONS FD	90,000	0	0	0	0	0
1882	TOTAL MEANS OF FUNDING	9,030,776	10,267,835	8,604,135	8,604,135	8,602,198	8,602,198

KANSAS



**State Conservation Commission Meeting
January 12, 2015**

FY 2016 Proposed Program Revisions

NPSPCP & WRCSP

➤ **NRCS Code 528 Prescribed Grazing**

- DOC requires a Forage Balance Estimate Worksheet to be completed for most grazing management practices: livestock water supplies, cross-fencing, etc.
- The Quality Assurance Reviews being conducted by DOC staff has found that in some cases, the Forage Balance Estimate Worksheet is not being completed by NRCS staff. In most cases, the worksheet is not being completed because it does not meet NRCS standards and specifications and NRCS cannot take credit for the activity.
- All four NRCS ASTC's have indicated to DOC staff that they would prefer that DOC require a Code 528 Prescribed Grazing Management Plan be complete for grazing management practices.
- DOC staff has asked the NRCS ASC's if NRCS at the field office level could support completing a Code 528 Prescribed Grazing Management Plan for all DOC contracts that now require a Forage Balance Estimate Worksheet.
- Requiring a Code 528 Prescribed Grazing Management Plan could impact participation in DOC programs addressing grazing management.
- The impact could be minimal due to the reduced cost-share funds now available.
- Requiring a Code 528 Prescribe Grazing Management Plan may better address the resource concerns for grazing lands in Kansas.
- Staff recommendation is to take this proposed program revision to the Spring Workshops for conservation district and NRCS local staff input.

20 Year Supervisors

Area 1

- John C. Griebel, Rooks County – Monday 2/9/15 6:30pm
- Karen Peterson, Logan County – Monday 1/26/15 6:30pm

Area 2

- Alvin Holmes, Kearny County - Monday 1/26/15 6:00pm
- Leonard Wilson, Grant County – Friday 1/23/15 1:00pm

Area 4

- William J. Conley, Jackson County – Wednesday 2/11/15 6:00pm
- Jan B. Laipple, Doniphan County - Monday 1/26/15 6:00pm
- David W. Thompson, Osage County - Monday 1/26/15 6:00pm

20 Year Employees

Area 5

- Gail J. Thornbrugh, Woodson County – Saturday 2/7/15 6:30pm

2015 Conservation Districts Annual Meeting Information

COUNTY	DATE AND TIME	RESERVATION	MEETING LOCATION	SPEAKER/PRESENTER	PROGRAM DESCRIPTION	PRESENTER'S TELEPHONE	FEE
Allen	February 04 2015 06:30 PM	January 30 2015	Riverside Park Community Building, Iola, KS	None	Awards, Meal, Door Prizes		None
Anderson	February 04 2015 06:00 PM		Saint Rose Catholic School 530 East 4th Garnett, Kansas	To Be Announced	Award Winners and past years activities power point		
Atchison	February 12 2015 06:00 PM	February 04 2015	Atchison County Community High School		Poster Awards, Banker Awards and Business Meeting		
Barber	January 17 2015 06:30 PM	January 12 2015	Heritage Center Medicine Lodge, KS		Awards, Educational		
Barton	January 24 2015 06:30 AM	January 16 2015	Barton County Community Collete		door prizes, agency reports and awards		
Bourbon	January 17 2015 06:30 PM		Uniontown High School Commons Area	Dr. David Gordon	Conservation, Poster, Limeric, & Essay Awards		
Brown	February 17 2015 11:00 AM	October 21 2014	Fisher Community Center 201 E. Iowa St. Hiawatha, Ks. 66434		Conservation Awards and Election		none
Butler	February 12 2015 06:00 AM	February 06 2015	The Benton Church, 14300 SW 200th, Benton, KS 67017		Cover Crops	(620) 465-2245	
Chase	February 03 2015 06:00 PM	January 23 2015	Community Building Swope Park Cottonwood Falls, KS		70th Anniversary A History of the District		
Chautauqua	February 23 2015 06:30 PM	February 18 2015	County Club, Sedan, KS		Dinner, Award Presentation, Business Session		
Cherokee	February 23 2015 06:00 PM		Columbus Unified High School Cafeteria and Auditorium, 124 South High School Ave, Columbus, KS	To Be Announced	Business Meeting, Election of Supervisors, Presentation of Conservation Awards, and Drawing for Door Prizes		
Cheyenne	February 16 2015 06:00 PM	February 09 2015	St. Francis Community High School- St. Francis, Kansas		Meal, Meeting, Program Awards, Education Awards, Door prizes		
Clark	February 09 2015 06:30 PM	February 02 2015	Civic Connection, Main St., Minneola, KS				

Clay	January 26 2015 06:30 PM	January 21 2015	Methodist Family Life Center, 5th and CLarke St. Clay Center, KS	Josh Roe	Russia Agriculture		
Cloud	February 05 2015 06:30 PM	February 02 2015	Catholic Church Parish Hall, 307 E 5th, Concordia KS	M & M Sisters	Comic Singing Duo		\$150 plus \$1.50 per mile
Coffey	February 04 2015 06:00 PM	January 23 2015	Burlington High School; Burlington KS		Conservation Awards Presentations		
Comanche	February 21 2015 06:30 PM		Coldwater Veterans Building				
Cowley	February 12 2015 06:00 PM	February 05 2015	Baden Square 1401 E 6th Ave, Winfield, KS		Presentation of Banker Awards and Grassland Award, presentation of county poster and limerick winners, meal		
Crawford	February 21 2015 06:00 PM		Girard High School, 415 N Summit, Girard, KS 66743		Annual Meeting Presentation and Election with Poster & Essay, Banker Awards		
Decatur	February 02 2015 06:30 PM	January 23 2015	GATEWAY Civic Center 1 Morgan Drive Oberlin, KS		Conservation Awards / Elections / Entertainment		
Dickinson	February 12 2015 06:30 PM		Sterl Hall, Abilene, KS		Conservation Awards, Election		
Doniphan	January 26 2015 06:00 PM	January 16 2015	Troy Community Center, Troy, KS 66087	Glenn Brunkow			\$250
Douglas	February 10 2015 07:00 PM	February 01 2015	Fairgrounds, Building 21, 2110 Harper, Lawrence, KS		Business meeting, Bankers awards, Poster contest		
Edwards	February 21 2015 06:30 PM	February 01 2015	Edwards County Fairbuilding 1305 S Niles Kinsley, KS 67547	Peterson Farm Bros			
Elk	February 25 2015 06:30 PM	February 20 2015	Cox Building, Corners of Wahsington and Wabash Streets		Dinner, Award Presentation, Business Session		
Ellis	January 29 2015 06:30 AM	January 23 2015		Frank Werth, Elvis Impersonator			\$500
Ellsworth	January 26 2015 06:00 PM	January 20 2015	American Legion Post #174 Hwy 140, Ellsworth, KS	none	poster and award presentation		
Finney	February 26 2015 08:30 AM	February 19 2015	Grandstand Meeting Room, Finney County Fairgrounds 409 1/2 Lake		Technology Tools for Today's Producer		

			Ave. Garden City, KS 67846				
Ford	February 07 2015 06:00 PM	January 30 2015	Ford Co. 4-H Fair Bldg., 901 West Park Street, Dodge City	Jeff A. Hutton	Various Weather Descriptions & Weather Equipment	(620) 225- 6746	\$0.00
Franklin	January 22 2015 12:00 PM	January 16 2015	1737 South Elm, Ottawa KS Fr Co Fair Grounds		Lunch, business meeting, bankers awards		
Geary	January 22 2015 06:30 PM	January 16 2015	Spring Valley Rd, Junction City, KS	Pending			
Gove	February 09 2015 06:00 PM	January 30 2015	American Legion Grainfield, KS	N/A	Poster winners and speaker		
Graham	January 26 2015 06:00 PM	January 15 2015	Jr-Sr High School - 1 Ringneck Dr	pending	music, awards & business		donation
Grant	January 23 2015 01:00 PM	January 23 2015	1000 W Patterson (South room @ Civic Center		Full accounting of District activities & Election		
Gray	February 14 2015 06:30 PM	February 07 2015	Gray County Fairgrounds, Newman Building, 17002 US Hwy 50, Cimarron, KS	Marc Ferguson	Poster Contest Awards, KBA Awards, Volunteer recognition, business meeting/election, and Scholarship Awards	(620) 873- 2731	150.00
Greeley	February 09 2015 06:00 PM	February 06 2015	Greeley County 4-H Building	Prairie Rose Rangers	Conservation Awards/Elections		
Greenwood	January 31 2015 06:30 PM	January 26 2015	Eureka Jr/Sr High School 815 N Jefferson, Eureka, KS 67045	Wes Fleming WRAPS	Power point presentation of award winners		
Hamilton	January 26 2015 12:00 PM	January 21 2015	Hamilton County Fair Building	Ernie Battin - Hamilton County CED	2015 Farm Bill		
Harper	February 23 2015 06:00 PM	February 19 2015	Municipal Hall, 130 E Main, Anthony	Ken Lockwood	Birds of Prey and Agriculture	(316) 393- 0710	575.00
Harvey	February 02 2015 06:00 PM	January 26 2015	Halstead High School USD 440 Halstead, KS 67056	Jesse Friesen	Country Music and Story telling		300.00
Haskell	January 26 2015 12:00 PM	January 21 2015	Haskell County Fairgrounds Commercial Building		Bankers Award, Presentation, Meal and meeting		
Hodgeman	February 21 2015 06:00 PM	February 13 2015	Elks Plaza (Hanston School) -Hanston Kansas	TBD	Meal, Awards, Entertainment		
Jackson	February 11 2015	February 04 2015	First United Methodist Church, 1401	Curtis Waltermire	Mentalist/Magician	(316) 293- 7368	

	06:00 PM		West 4th Street, Holton, KS, 66436				
Jefferson	January 28 2015 06:30 PM	January 23 2015	Oskaloosa JRSR High School Multipurpose Room	Jazz Band	Dinner with entertainment followed up with Business Session		donation
Jewell	February 11 2015 06:30 PM	February 06 2015	Community Building, 214 N. High St. Mankato, KS	R. P. Smith	Meal; Award Presentations; Homegrown Humorist & Cowboy Poet		\$1000 + mileage
Johnson	January 22 2015 06:30 PM	January 20 2015	11811 S Sunset Dr, Olathe, KS Rm 1060	none	Conservation in Johnson County		0.00
Kearny	January 26 2015 06:00 PM	January 23 2015	Deerfield Community Building, Deerfield, KS.	Kenneth Waechter	History of Kearny County		Donation to Hist.Museum
Kingman	January 26 2015 06:30 PM	January 20 2015	Kingman VFW Hall, 126 N Main, Kingman	"Pending"			
Kiowa	February 23 2015 06:30 PM	February 17 2015	600 West Lincoln Ave. Greensburg, Kansas 67054		Bankers' Awards & Poster Winners, Annual Meeting, Banquet, Election of Supervisors, Annual Report, Financial Report		-0-
Labelle	January 24 2015 06:00 PM	January 02 2015	Labelle County High School Cafeteria, 401 S. High School Str., Altamont, Ks 67330	none	Annual Meeting, Banquet, Election of Supervisors, Annual Report, Financial Report, Banker Awards		00.00
Lane	January 31 2015 06:00 PM	January 26 2015	St. Theresa Catholic Hall		Annual Meeting, Awards Banquet & Entertainment		
Leavenworth	January 31 2015 06:00 PM	January 15 2015	Lansing Community Center, 800 1st Terrace, Lansing Ks. 66043	Jeff Mann	Soil Health	(785) 863-2201	0
Lincoln	February 07 2015 06:30 PM	January 28 2015	Lincoln Elementary School, 304 South First Street, Lincoln, KS 67455	M&M Sisters	Comical	(785) 697-2935	\$150 plus mileage
Linn	February 18 2015 06:30 PM	February 13 2015	Jayhawk Elementary School Cafeteria, Mound City, KS	FFA Chapters	Business Meeting, Awards, FFA Updates		0.00
Logan	January 26 2015 06:30 PM	January 23 2015	Buffalo Bill Cultural Center	Bryan Peterson	Program on trees		
Lyon	February 02 2015 06:00 PM	January 23 2015	Harvest House Flint Hills Christian Church 1836 U.S. Hwy 50 Emporia, KS 66801	Jeff Davidson	75th Anniversary- History of the Conservation District- Western Poetry and Music		\$150.00

Marion	February 21 2015 06:30 PM	February 12 2015	Eastmoor UM Church, 105 Estmoor Dr., Marion, Ks.		?		
Marshall	January 21 2015 06:30 PM	January 13 2015	American Legion in Marysville	n/a	annual report, banker awards, poster awards, meal, election of supervisors		0.00
McPherson	January 26 2015 06:30 PM	January 21 2015	4-H building 700 W Woodside McPherson				
Meade	February 28 2015 06:30 PM	February 16 2015	Meade High School, 409 School Addition				
Miami	January 20 2015 06:00 PM		Lighthouse Presbyterian Church, Paola, KS		Presentation of annual report, presentation of conservation awards, election of officers.		
Mitchell	February 25 2015 06:30 PM	February 18 2015	St. Johns High School 209 Cherry St. Beloit, KS 67420				
Montgomery	January 22 2015 06:00 PM	January 14 2015	Independence Community College West		2015 Annual Meeting		
Morris	January 31 2015 06:30 PM	January 28 2015	Morris County Community Center	Jeff Davidson	"Kansas History - Lyrics & Songs"		\$300
Morton	February 21 2015 06:00 PM	February 13 2015	Morton County Civic Center, 400 Orchard St. Elkhart, KS	Pending	Awards, Business Report, Election, Entertainment, Catered Dinner.		
Nemaha	February 19 2015 06:00 PM		Nemaha County Community Building, 1500 Community Drive Seneca KS		Bankers Awards, Conservation Awards, Poster & Limerick Award Winners		
Neosho	February 02 2015 06:00 PM	January 26 2015	Tony's Function Junction 10300 Highway 59 Erie, Kansas 66733		Banker's Award, Wildlife Award, Speech Contestant, Poster Winners,		
Ness	February 16 2015 06:30 PM	February 09 2015	Sacred Heart School Gymnasium	pending			
Norton	January 05 2015 06:00 PM	December 31 2014	St. Francis Parish Hall, 108 S Wabash, Norton, KS 67654	N/A	Presentation of poster winners and Bankers Award Winners		N/A
Osage	January 26 2015 06:00 PM	January 20 2015	Osage City School cafeteria		presentation of banker, district and poster awards		
Osborne	February 09 2015 06:30 PM	January 30 2015	St. Aloysius Parish Center, 219 N. Elm,	pending	Business Meeting and Awards Ceremony		

			Osborne, Kansas				
Ottawa	January 24 2015 06:00 PM	January 16 2015	Minneapolis Grade School, 312 Delia, Minneapolis	Cayton & Brown, Music	Meal, Poster/essay & Bankers awards, www.caytonandbrown.com		300.00
Pawnee	January 24 2015 06:00 PM	January 19 2015	JA Haas Building, Pawnee County Fairgrounds, Larned, Ks		Annual Mtg, Election of Supervisors, Bankers Conservation Awards		
Phillips	February 07 2015 06:30 PM	February 02 2015	Phillips County Fairgrounds building		Poster and conservation awards		
Pottawatomie	January 26 2015 07:00 PM		St. Columbilles Parish Hall in Blaine, Kansas		Speech Contest winner, poster, limerick and essay awards, Banker Award and Grassland Award Presentations		
Pratt	January 26 2015 06:30 PM	January 20 2015	Pratt Area 4-H Center, 81 Lake Rd, Pratt, KS 67124	n/a	Annual Meeting, Recognize Banker Award Winners, Contest winners, etc.		n/a
Rawlins	February 05 2015 06:00 PM	January 23 2015	Columbian Hall, Atwood, KS	N/A	Award Ceremony/Supervisor Elections/Poster Contest		0.00
Reno	January 17 2015 06:00 PM	January 12 2015	Partridge Grade School Gym, Partridge, Ks. 67566	na			0
Republic	January 22 2015 06:00 PM	January 16 2015	Cuba Community Hall, Main Street, Mankato, Kansas	Scenic Roots	Musical Sister Duo	(785) 614- 3817	\$200.00
Rice	January 24 2015 06:00 PM		Lyons High School 601 E American Road Lyons, KS				
Riley	February 05 2015 06:30 PM	January 30 2015	Pottorf Hall, Manhattan KS	MJ Morgan	Lost Kansas Communities		free
Rooks	February 09 2015 06:30 PM	January 30 2015	Palco High School				
Rush	January 31 2015 06:30 PM	January 26 2015	St. Michael's Parish Hall, 918 Lincoln Street, LaCrosse, KS	The McKinney Sisters	Accomplishment Presentation, Poster Awards, Conservation Awards, Bluegrass Gospel Music	(620) 345- 2744	\$150
Russell	February 09 2015 06:30 PM	February 26 2015	4-H Building Russell		Poster, Limerick & Conservation Awards		
Saline	January 22 2015 06:30 PM	January 12 2015	Webster Conference Center, 2601 N Ohio St, Salina, KS	Choraliers	High School musical group.		
Scott				Peterson Brothers	Presentation and performance		2000.00

	February 07 2015 06:00 PM	January 30 2015	William Carpenter Building				
Sedgwick	February 25 2015 06:30 PM	February 20 2015	SEDGWICK COUNTY EXTENSION EDUCATION CENTER	SCOTT PELTIER & STUDENTS	HOW TO INCORPORATE "AG IN THE CLASSROOM" INTO MIDDLE SCHOOL SCIENCE CLASSES		\$200.00
Seward	January 17 2015 06:30 PM	January 10 2015	Seward County Community College	John Dardi	Agricultural ambassador to the US from Ireland		air far/motel
Shawnee	January 26 2015 06:30 PM	January 12 2015	KS St. Historical Society & Museum, 6425 SW 6th Ave., Topeka		Banker Awards & 2014 District activities - 60th		
Sheridan	February 10 2015 12:00 PM		Sheridan County 4-H Bldg, no Hwy 23, ½ blk north of stop hwy 23 & 24 jct. Hoxie, KS	Don Rowison	Bankers Awards, District Speech contestant winner & election of 2 supervisors	(785) 627-3725	free
Sherman	February 09 2015 12:00 PM	February 09 2015	Sherman Co 4-H Building	New Vo Ag Teacher	Update on program		
Smith	February 02 2015 06:30 PM	January 30 2015	Smith Center Armory	The Three Amigos	meal-western music entertainment-bankers awards-business meeting-election-kids break out session		
Stafford	February 09 2015 07:00 PM		Brd Rm at USDA service center Saint John KS		Board meeting with meal		
Stanton	January 27 2015 06:00 PM	January 23 2015	4-H BUILDING, JOHNSON, KANSAS	WESTON WILKERSON	SINGER		
Stevens	February 21 2015 06:30 PM	February 12 2015	Memorial Hall (in the courthouse), 6th & Monroe, Hugoton	Trent Loos, the Faces of Agriculture; Loos Tales; and Rural Route	65th Anniversary & Appreciation Banquet / Annual Business & Election		Co-sponsored
Sumner	February 14 2015 06:00 PM	February 02 2015	Raymond Frye Complex, 320 N. Jefferson, Wellington, KS 67152	pending	pending		000.00
Thomas	February 11 2015 12:00 PM	February 05 2015	Colby Community Building, 285 E. Fifth, Colby, KS		Supervisor Election, KBA Awards Presentation, Producer Appreciation Meal		
Trego	February 09 2015 07:00 PM		Western Cooperative Electric, 635 S 13th Street, WaKeeney, Kansas 67672		Annual Meeting		
Wabaunsee	January 22 2015 06:30 PM	January 15 2015	Wabaunsee High School Commons Area in Alma		Review of 2014 & the presentation of the 2014 Bankers Award Winners		
Wallace	January 26 2015	January 09 2015	Wallace County High School		Awards, Musical Entertainment, Business Meeting		

	06:00 PM		Commons Area, 520 N Main, Sharon Springs, KS				
Washington	February 07 2015 06:30 PM	January 30 2015	Washington County High School Gymnasium, Washington, Ks	The McKinney Sisters	Bluegrass Gospel Music	(620) 345- 2744	250.00 donation
Wichita	January 26 2015 06:30 PM	January 21 2015	Leoti Community Bldg	Jeff Trotman	Presentation on the Santa Fe Trail		\$150 + mileage
Wilson	January 17 2015 06:30 PM	January 09 2015	Fredonia High School 916 Robinson Fredonia, KS	TBD	Awards Ceremony, Slide Show, student speeches, poster winner recognition		
Woodson	February 07 2015 06:30 PM		4-H & Community Building 713 s Fry St Yates Center, KS 66783		Award presentations		
Wyandotte	February 05 2015 07:00 PM		TBA	TBA			



United States Department of Agriculture
Natural Resources Conservation Service



Tentative Agenda 2015 Spring Workshops

<u>TIME</u>	<u>TOPIC</u>	<u>PRESENTER</u>
9:00 a.m.	REGISTRATION	Division of Conservation (DOC)
9:15 a.m.	Welcome/Introductions	SCC Area Commissioner NRCS ASTC-FO
9:30 a.m.	DOC Report/Updates <ul style="list-style-type: none"> • Budget • FY 2016 State Cost-Share Program Revisions • Quality Assurance Reviews • Personnel Changes 	DOC Staff
10:00 a.m.	NRCS Report <ul style="list-style-type: none"> • 2014 Farm Bill • Budget Update 	Eric Banks, NRCS
10:20 a.m.	Break	
10:40 a.m.	KACD Report <ul style="list-style-type: none"> • 2015 NACD Convention • 2015 KACD Convention • State Fair Booth 	Pat Lehman, KACD
11:00 a.m.	Threatened and Endangered Species in Kansas <ul style="list-style-type: none"> • Impacts on cost-share program implementation 	NRCS Staff Dean Krehbiel
11:30 a.m.	No-till and Cover Crop Field days	CD and NRCS Staff
12:00 p.m.	Lunch – on site	
12:45 p.m.	TBD	
1:15 p.m.	TBD	
1:45 p.m.	TBD	
2:15 p.m.	Open discussion and closing comments	
2:30 p.m.	ADJOURN	SCC Area Commissioner

Local Conservation Lending Program
January 12, 2015

DISCUSSION
agenda

Background

History of Program Development & Need

Program '101'

Presentation of Proposed Program

Outreach Efforts

Summary of Participation & Feedback

Legislative Proposal

Review of Draft Statutes for Proposed Program

Next Steps

Review of Upcoming Efforts

Questions



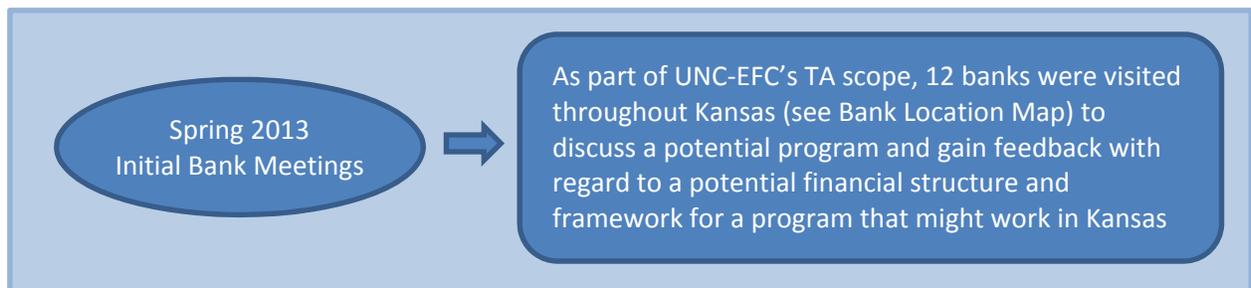
Local Conservation Lending Program Discussion Table of Contents

	<u>Page</u>
<u>Background</u>	
<i>Background & Summary of Past Outreach Efforts</i>	1
<i>Bank Location Map</i>	2
<i>Feedback from Local Lending Institutions 2013 Outreach Efforts</i>	3
<u>Program '101'</u>	
<i>Local Conservation Lending Program Slide Presentation</i>	4 - 9
<u>Outreach Efforts</u>	
<i>2014 Outreach Contact List</i>	10
<i>Bank Contact List</i>	11
<i>Summary of Feedback from 2014 Outreach Efforts</i>	12
<i>Discussion Summary from 2014 Outreach Efforts</i>	13
<u>Legislative Proposal</u>	
<i>Draft Statutes for Proposed Program</i>	14-17
<u>Next Steps</u>	
<i>Future Contact List & Request for Recommendations</i>	18

Background & Summary of Past Outreach Efforts Local Conservation Lending Program



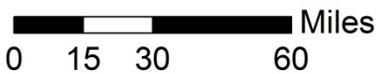
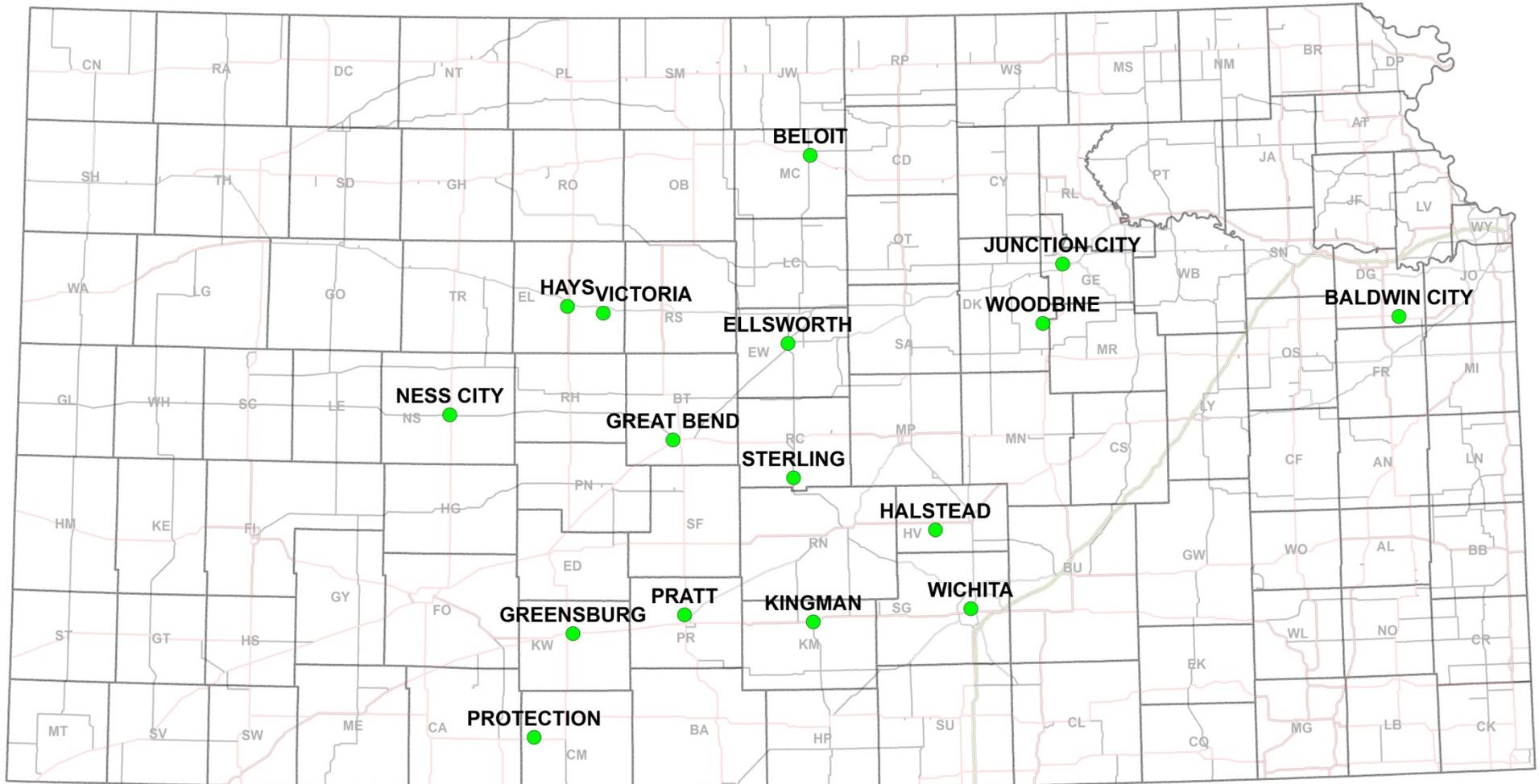
- Primary deliverables associated with the technical assistance from UNC-EFC:
 - Assess the responsiveness of such a loan program in Kansas
 - Develop a plan for a self-sustaining low-interest loan fund specifically for NPS projects



- Summary of feedback from banks (as provided on the next few slides) indicated a need and desire for the program in Kansas
- Additional review completed by KDHE staff, agency meetings, development of white paper, etc.



Outreach Efforts for Local Conservation Lending Program Bank Location Map



This map product is provided without representation or implied or expressed warranty of accuracy and is intended for watershed planning purposes only. The originating agency is not responsible for publication or use of this product for any other purpose. This product may be corrected or updated as necessary without prior notification.



2013

Feedback from Local Lending Institutions 2013 Outreach Efforts

Primary Concerns

Discussion

? Project Eligibility & Notification

- ☞ State determines project eligibility
- ☞ Demand will be customer-driven
- ☞ Banks not responsible to solicit new projects

? Loan Default

- ☞ Bank performs underwriting and credit check
- ☞ Bank must approve loan
- ☞ Likely involve existing borrowers (IA)

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Feedback from Local Lending Institutions 2013 Outreach Efforts

Primary Concerns

Discussion

? Loan Terms

- ☞ 5 to 10 year loan term (depending on practice and borrower)
- ☞ Proposed 3 to 3.25% maximum interest rate
- ☞ No penalty for early payment

? Reporting Requirements

- ☞ Reporting will be minimal (IA)
- ☞ One linked-deposit account per bank (may have multiple loans)
- ☞ State plays major role in reporting responsibilities

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Local Conservation Lending Program

Department of Health and Environment

State Conservation Commission Meeting
January 12, 2015

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KANSAS
wraps | Watershed Restoration and Protection Strategy

- Purpose is to protect and restore Kansas watersheds
 - Restore / Protect quality of drinking water
 - Extend the life of federal reservoirs
 - Improve aquatic ecosystems
- Local issues – Local solutions
 - Local stakeholders
 - Identify local watershed issues (reservoir sedimentation, blue green algae blooms, nutrient or bacteria abatement)
 - Establish watershed goals
 - Create a conservation strategy to achieve goals
 - Implement the strategy – private/public collaboration

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Department of Health and Environment

Annual Funding Needs for Conservation Practices

WRAPS Plan Best Management Practice Funding Needs to achieve TMDLs and/or protect high priority waters.						
WRAPS	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Middle Marais des Cygnes	\$70,454	\$73,090	\$71,876	\$77,540	\$76,255	\$369,215
Middle Neosho	\$732,080	\$756,616	\$779,846	\$803,786	\$822,836	\$3,895,164
Milford	\$371,701	\$391,002	\$397,849	\$411,197	\$418,352	\$1,990,101
Missouri	\$32,716	\$56,732	\$28,581	\$77,177	\$57,007	\$252,213
Neosho Headwaters	\$180,259	\$189,272	\$191,236	\$200,797	\$202,883	\$964,447
Pomona	\$190,905	\$198,902	\$202,531	\$211,016	\$214,867	\$1,018,221
Prairie Dog Creek	\$444,025	\$507,029	\$445,576	\$562,818	\$638,639	\$2,598,087
Spring River	\$188,450	\$200,188	\$199,927	\$212,379	\$212,103	\$1,013,047
Toronto	\$73,796	\$81,074	\$71,924	\$86,011	\$83,058	\$395,863
Tuttle	\$1,415,486	\$1,470,949	\$1,501,690	\$1,560,531	\$1,593,144	\$7,541,800
Twin Lakes	\$105,823	\$109,388	\$112,268	\$116,050	\$119,105	\$562,634
Upper Lower Smoky	\$198,780	\$203,240	\$216,872	\$215,618	\$223,327	\$1,057,837
Upper Neosho	\$708,583	\$729,020	\$755,247	\$773,417	\$797,515	\$3,763,782
Upper Timber	\$11,726	\$12,078	\$12,441	\$12,814	\$13,199	\$62,258
Upper Wakarusa	\$56,073	\$56,073	\$56,073	\$112,146	\$112,146	\$392,511
Upper Walnut	\$152,864	\$154,200	\$158,827	\$165,231	\$170,362	\$801,484
Waconda	\$1,077,060	\$1,113,281	\$1,146,679	\$1,181,079	\$1,452,323	\$5,970,422
Total	\$11,118,783	\$11,450,639	\$11,277,801	\$11,821,662	\$12,446,160	\$58,115,045

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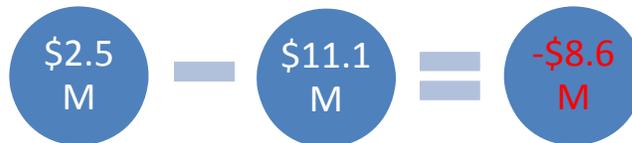
3



KANSAS
wraps

Watershed Restoration and Protection Strategy

Our combined budget needs to achieve Water Quality Goals in your watershed plans:



Keep in mind, this is only WRAPS goals – recognizing there are other water bodies of priority that are not included in this estimate! (WRAPS ~ 50% of state)

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4

Local Conservation Lending Program Update Discussion

- Funding shortfall prompted exploration of additional funding options/opportunities for Conservation Practices addressing NPS
- KDHE has researched other similar programs across the country for development and implementation in Kansas
- Iowa SRF Program
 - Linked Deposit program with 400 participating lenders across the state
 - SRF deposits funds at 0% and local bank provides loan for project with a 3% maximum interest rate
 - Can be used with other cost-share programs and/or grants
 - In 2013, approximately \$68 million out in linked-deposit funds

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5

Low-Interest Loan Program for Conservation Practices

- Efforts in Kansas to develop linked-deposit low-interest loan program for NPS projects, similar to Iowa
- Local Conservation Lending Program (proposed title)
- Four main project categories being considered:
 - ❖ General Conservation Projects
 - ❖ Livestock Projects
 - ❖ Stream Restoration Projects
 - ❖ Onsite Wastewater Assistance



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6

Low-Interest Loan Program for Conservation Practices

Program Assumptions:

- ❖ \$1 million per year
- ❖ 30 NPS projects funded per year
 - 60% projects - with cost-share provided (based on IA)
 - 40% projects - no cost-share provided
- ❖ If cost-share is provided, technical assistance and project certification will be provided by other agencies (NRCS, DOC, etc.)
- ❖ If no cost-share is provided, KDHE will provide necessary TA and certify completion of projects → could involve sanitarians or technical service providers (TSPs), depending on project type

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Low-Interest Loan Program for Conservation Practices

Proposed Loan Terms:

- ❖ Loan amounts range from \$5,000 (min.) to \$250,000 (max.)
- ❖ Loan terms up to 10 years maximum (varies by project)
- ❖ ~ 3% interest rate (per draft statutes)
- ❖ KDHE funds available for interest pay down to limit interest rate to approx. 3% to borrower



Eligible Borrowers:

- ✓ Agricultural Producers
- ✓ Watershed Organizations
- ✓ Home and landowners
- ✓ Local Businesses

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Low-Interest Loan Program for Conservation Practices

Proposed Application Process:

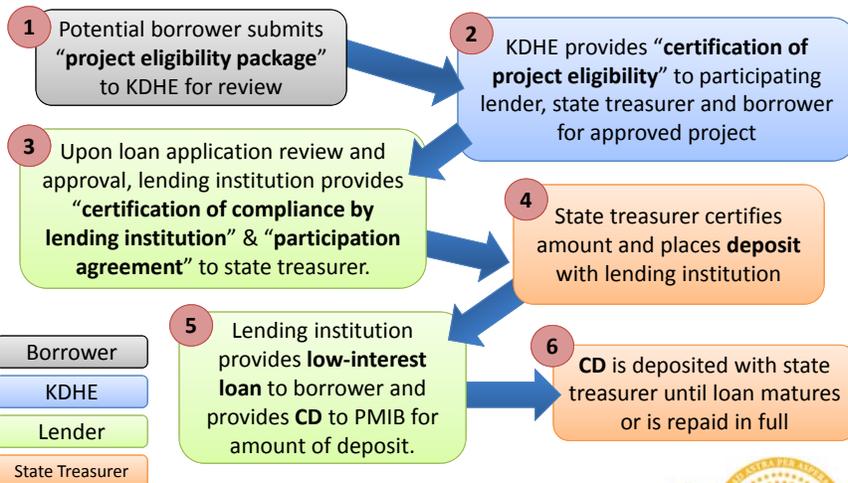
- ❖ “project eligibility package” provided by KDHE for potential program participants to determine and certify project eligibility
- ❖ Simple, one-page online application - separated by track
- ❖ Rolling application period, applications reviewed by KDHE as received
- ❖ KDHE provides certification of project eligibility to lending institution, financial administrator, and borrower upon approval (includes amount of loan requested)

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9

Proposed Project Application, Loan Review & Approval Process



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10

Proposed Funding Structure



*Eligible borrowers include agricultural producers, home and landowners, watershed organizations, and local businesses.

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Program Development Assistance

- KDHE WMS Section contract with the Environmental Finance Center at Wichita State University (WSU-EFC)
- WSU-EFC contract scope includes two major components (deliverables):
 - ✓ Stakeholder Engagement & Financial Framework Development
 - ✓ Financial Framework Implementation
- Provide as-needed support through legislative process



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Local Conservation Lending Program 2014 Outreach Contact List

Listed below are the numerous agencies, organizations and associations across the state with which KDHE staff has met to discuss the potential local conservation lending program to gain feedback and support.

Local Conservation Lending Program 2014 Outreach Meetings Contact List*

- Kansas Association of Conservation Districts (KACD) – Pat Lehman, Executive Director
- Kansas Environmental Health Association (KEHA) –Annual Board Meeting and annual conference
- Kansas Bankers Association (KBA), Ag Bankers Division – Troy Soukup, Board President
 - Presented at Ag Bankers Board Meeting on Nov. 19, 2014
- Kansas Farm Bureau (KFB) – Ryan Flickner, Sr. Director Public Policy
- Kansas Farm Bureau Legal Foundation, Mike Irvin, Director
- USDA Rural Development, KS State Office – Patty Clark, State Director
- NRCS Kansas Technical Committee
- Kansas Small Flows Association Board – Conference Call Meeting
- Jaret Moyer – banker at Citizens First Bank in Woodbine, KS
 - Active in Community Bankers Association and President Elect for Kansas Livestock Association (KLA)
- Kansas Development Finance Authority (KDFA) – Jim MacMurray, Finance V.P. and Rebecca Floyd, Exec. V.P./General Counsel at monthly meeting with KDHE and DOA
- Sedgwick County Farm Bureau – Kent Winter, President

*The Wichita State University Environmental Finance Center has also contacted some additional agencies and individuals as part of the contract with KDHE for technical assistance.

In addition to the above list, KDHE staff have visited with 16 banks across Kansas, as well as two banks in Iowa (both of which participate in Iowa's similar linked-deposit program). The attached document contains a list of the banks that were visited as part of our program outreach efforts. As noted on the attached list, many of the banks were visited in both 2013 and 2014.

LOCAL CONSERVATION LENDING PROGRAM
- BANK VISITATIONS -

*Denotes Bank
Visits in both 2013 2014

* Greensburg State Bank	Tom Corns, Pres.
* First National Bank of Pratt	Kelly Garretson, VP Lending
* Bank of Protection	Candy Murphy, Pres.
* Citizens Bank of Kansas, Kingman	Corey Krehbiel, CLO/Sr. VP
* Community Bank of the Midwest, Great Bend	Shane Dicks, VP
* First Bank in Sterling	Sam Lewis, Exec. VP
* Gorham State Bank (Victoria)	Troy Schippers, Pres.
* Bank of Hays	Randy Walker, Pres.
* First State Bank in Ness City	Kevin Beutler, Pres.
Citizens State Bank Ellsworth	Troy Soukup, VP
* Guaranty State Bank, Beloit	Tamarah Pruitt, Sr. VP
Citizens State Bank, Woodbine	Jaret Moyer, Pres.
* First National Bank of Junction City	Dale Anders, Sr. VP Loans
* Baldwin State Bank	Brian Butell, Sr. VP
Halstead Bank	Steve McGinn, VP
Bank Iowa, Shenandoah	Megan Brown, LO Mgr
Page County State Bank, Clarinda Iowa	James Johnson, VP& COO
* Intrust Bank, Wichita	Bruce Frost, Sr. VP & Correspondent Banker

Summary of Feedback from 2014 Outreach Efforts Local Conservation Lending Program

How soon will this program be available?

- County Sanitarian

Proposed program would provide additional resources for onsite ww/septic system rehabilitation and/or replacement needs throughout the state.

Annual cost-share funds available for septic system rehabilitation and/or replacement are highly sought and quickly spent. This program would provide additional options for individual homeowners in need.

- County Sanitarian

The proposed program is simple, straightforward, with minimal reporting requirements making participation an easy option.

- Kansas Bankers

"The majority of the projects funded through the linked deposit program would not have been funded without this program." - Iowa Banker & Participant in Iowa NPS SRF Program

Some bankers visited said they would consider participating in the program with a "pilot" project.

Proposed program can be used to compliment traditional conservation programs.

We recently worked with a livestock producer who completed a large project that would have been eligible for funding through this program. We can see a potential need for this program for our customers in this area of the state. - Kansas Banker

We are very interested in utilizing this program to assist with funding larger streambank stabilization projects that benefit both the landowner and the downstream communities.

- WRAPS Coordinator & SLT Members

This program could help banks enhance and improve the local community while helping to meet community reinvestment act requirements. - Kansas Bankers

Program can provide a source of funding for streambank stabilization projects, filling a gap of limited state and federal resources.

Discussions with banks indicated a desire to enhance and improve the community, while meeting mandated requirements tied to community investment.

Discussion Summary from 2014 Outreach Efforts

Local Conservation Lending Program

Primary Questions

Discussion

Project Eligibility & Notification



- 👉 State determines project eligibility
- 👉 Demand will be customer-driven
- 👉 Banks not responsible to solicit new projects

KDHE can fill role as "Program Administrator"

Loan Default



- 👉 Bank performs underwriting and credit check
- 👉 Banks review and approve loan using standard methods
- 👉 Likely involve existing borrowers

Loan Terms & Interest Rate



- 👉 5 to 10 year loan term (depending on practice and borrower)
- 👉 Proposed ~3 to 3.25% maximum interest rate
- 👉 No penalty for early payment

Existing KDHE SRF funds for program

Should KDHE administer the proposed program?



- 👉 Funds for proposed program available through KDHE's SRF program
- 👉 Existing KWPCRF program has similar project administration scope
- 👉 KDHE's existing partnerships with KWO, DOC, NRCS to implement NPS projects

Will banks participate in low-interest loan program?



- 👉 KDHE has funds available to "pay down" the interest, enabling banks to loan at lower rates
- 👉 Need for additional options for costs not covered by cost-share (esp. larger NPS projects & septic/onsite WW)
- 👉 'Unique' projects not normally seen by banks – additional loan volume
- 👉 Enables banks to provide additional services to existing and/or new customers

Funds available to "pay down" interest

Local Lending Institutions

Natural Resource Agencies

75-4283: Kansas local conservation loan deposit program. (a) The provisions of K.S.A. 2015 Supp. 75-4283 through 75-4291, and amendments thereto, shall be known and may be cited as the Kansas local conservation loan deposit program.

(b) The provisions of K.S.A. 2015 Supp. 75-4283 through 75-4291, and amendments thereto, shall be effective on and after July 1, 2015.

75-4284. Same; definitions. As used in K.S.A. 2015 Supp. 75-4283 through 75-4291, and amendments thereto: (a) "Local conservation loan deposit" means an investment account placed by the director of investments under the provisions of article 42 of chapter 75 of the Kansas Statutes Annotated with an eligible lending institution for the purpose of carrying out the intent of this act;

(b) "local conservation loan deposit project eligibility package" means the forms provided by the Kansas Department of Health and Environment for the purpose of determining and certifying eligibility for funding a project through this program.

(c) "local conservation linked deposit participation agreement" means the agreement and associated attachments provided by the state treasurer to the eligible lending institution for participation in the program.

(d) "certification of compliance by lending institution" means the certification form provided by the local lending institution to the state treasurer for individual loan review.

(e) "eligible lending institution" means:

(1) a bank or other financial lending institution or association chartered and/or incorporated under the laws of this state, or organized under the laws of the United States or another state and which has a main or branch office or chapter in this state that agrees to participate in the Kansas local conservation loan deposit program and is eligible to be a depository of state funds; or

(2) an institution of the farm credit system organized under the federal farm credit act of 1971 (12 U.S.C. § 2001), as amended, that agrees to participate in the Kansas local conservation loan deposit program and provides securities acceptable to the pooled money investment board pursuant to article 42 of chapter 75 of the Kansas Statutes Annotated, and amendments thereto.

(e) "eligible borrower" means

(1) Any individual, limited liability agricultural company, limited agricultural partnership or family farm corporation as defined in K.S.A. 17-5903, and amendments thereto, involved in farming.

(2) A responsible party or an owner of real property, but does not include the state, any state agency, any political subdivision of the state, the federal government or any agency of the federal government; or

(3) A person who: (i) is involved in a transaction relation to real property; (ii) is not a responsible party or owner of the real property; and (iii) voluntarily takes corrective action on the property in response to a request or order for corrective action from the department of health and environment (iv) voluntarily implements an eligible conservation practice.

- (4) A livestock producer [*additional language to be determined and inserted here*]

75-4285. Same; Kansas Department of Health and Environment and state treasurer joint administrator of program; purpose. (a) The Kansas Department of Health and Environment and the state treasurer are hereby authorized to administer the Kansas local conservation loan deposit program. Such program shall be for the purpose of promoting loans by eligible lending institutions for the design, construction, rehabilitation, and enhancement of conservation practices that address nonpoint source pollution within the state.

(b) The secretary of the Kansas Department of Health and Environment shall promulgate rules and regulations to carry out the provisions of K.S.A. 2015 Supp. 75-4283 through 75-4291, and amendments thereto.

(c) The secretary of the Kansas Department of Health and Environment shall prepare a nonpoint source management plan identifying nonpoint source conservation practices eligible for funding through the local conservation loan deposit program, identify eligible borrowers, project completion and certification requirements and process, and establish other program requirements.

(d) The state treasurer shall submit an annual report outlining the status of the program to the governor and the legislature.

75-4286. Same; local conservation loan deposit project eligibility packages; participation in program; requirements. (a) The Kansas Department of Health and Environment is hereby authorized to disseminate information and to provide local conservation loan deposit project eligibility packages to lending institutions and borrowers eligible for participation in this program.

(b) The local conservation loan deposit project eligibility package shall be completed by the borrower and submitted to the Kansas Department of Health and Environment for review and approval before being forwarded to the lending institution for consideration. Eligible projects will be certified by the Kansas Department of Health and Environment and certifications will be submitted to the state treasurer, local lending institution and to the borrower. Such certifications shall include information regarding the amount of the loan requested by each eligible borrower.

(c) The Kansas Department of Health and Environment may accept or reject a local conservation loan deposit project eligibility package based on the Kansas Department of Health and Environment's evaluation of whether the project meets the purposes of this program.

75-4287. Same; agreements and certifications; procedures. (a) The state treasurer is hereby authorized to disseminate information and to provide local conservation linked deposit participation agreements and certifications of compliance to the lending institutions eligible for participation in this act.

(b) (1) An eligible lending institution that agrees to receive a local conservation loan deposit shall accept and review applications for loans from eligible borrowers. The lending institution shall apply all usual lending standards to determine the credit worthiness of eligible borrowers. The total aggregate amount of the local conservation loan deposit loans under this program shall not exceed \$55,000,000 of

unencumbered funds pursuant to article 42 of chapter 75 of the Kansas Statutes Annotated, and amendments thereto.

(2) No loan shall be amortized for a period of more than ten years.

(c) An eligible borrower shall certify on its loan application that the reduced rate loan will be used exclusively for the expenses involved with completion of the approved conservation practice for which the loan has been made.

(d) The eligible lending institution may approve or reject a local conservation loan deposit loan application based on the lending institution's evaluation of the eligible borrowers included in the application, the amount of the loan in the application and other appropriate considerations.

(e) The eligible lending institution shall forward to the state treasurer the certification of compliance by lending institution and a local conservation linked deposit participation agreement, in the form and manner prescribed and approved by the state treasurer. The certification of compliance shall include information regarding the amount of the loan requested by each eligible borrower and such other information regarding each eligible borrower the state treasurer requires.

(f) Upon acceptance, the state treasurer shall certify to the director of investments the amount required for such local conservation loan deposit loan and the director of investments shall place a local conservation loan deposit in the amount certified by the state treasurer with the eligible lending institution at an interest rate, which is 2% below the market rate provided in K.S.A. 75-4237, and amendments thereto, and which shall be recalculated on the first business day of April and October of each year using the market rate then in effect. The minimum interest rate shall be 0.50%, if the market rate is below 2.5%. When necessary, the state treasurer may request the director of investments to place such local conservation loan deposit prior to acceptance of a certification of compliance by the lending institution for a local conservation loan deposit loan.

(g) The eligible lending institution shall enter into a local conservation linked deposit participation agreement with the state treasurer, which shall include requirements necessary to implement the purposes of the Kansas local conservation loan deposit program. Such requirements shall include an agreement by the eligible lending institution to lend an amount equal to the local conservation loan deposit to eligible borrowers at an interest rate which is not more than 4% greater than the interest rate on local conservation loan deposits as provided in subsection (f). Such rate shall be recalculated on the first business day of April and October of each year using the market rate then in effect. The agreement shall include provisions for the local conservation loan deposit to be placed for a maturity considered appropriate in coordination with the underlying local conservation loan. The agreement shall include provisions for the reduction of the local conservation loan deposit in an amount equal to any payment of loan principal by the eligible borrower on an annual basis based on the amount of principal repayment received by the lending institution to date.

75-4288. Same; loans; rate. (a) Upon the placement of a local conservation loan deposit with an eligible lending institution, the institution shall fund the loan to each approved eligible borrower listed in the local conservation loan deposit certification of compliance by lending institution in accordance with the participation agreement between the lending institution and the state treasurer. The loan shall be at a rate as provided in K.S.A. 2015 Supp. 75-4283 through 75-4291, and amendments thereto.

(b) If sufficient funds are not available for a local conservation loan deposit, then the applications may be considered in the order received when funds are once again available subject to a review by the lending institution.

75-4289. Same; state, state treasurer and Kansas Department of Health and Environment not liable to lending institution. The state, state treasurer and the Kansas Department of Health and Environment shall not be liable to any eligible lending institution in any manner for payment of the principal or interest on the loan to an eligible borrower. Any delay in payments or default on the part of an eligible borrower does not in any manner affect the local conservation linked deposit participation agreement between the eligible lending institution and the state treasurer.

75-4290. Prohibition on use of funds from deposit to qualify for state tax credits. Any state bank, national banking association or credit association or agricultural credit association chartered by the farm credit administration under the federal farm credit act, as amended (12 U.S.C. § 2001 et seq.), who claims a tax credit pursuant to K.S.A. 2013 Supp. 79-1126a or 79-32,181a, and amendments thereto, shall not use any funds from a local conservation loan deposit, invested pursuant to K.S.A. 2015 Supp. 75-4283 through 75-4291, and amendments thereto, for local conservation loan deposit loans to qualify for the tax credit pursuant to K.S.A. 2013 Supp. 79-1126a or 79-32,181a, and amendments thereto.

75-4291. Additional funds for investment and interest rate pay down. (a) The Kansas Department of Health and Environment is hereby authorized to provide additional funds for investment by the Pooled Money Investment Board at 0.6% to the eligible lending institution. The Pooled Money Investment Board shall repay 0.1% of the original investment to the Kansas Department of Health and Environment annually. The purpose of the additional investment funds is (1) to pay down the interest on the local conservation loan deposit loans provided to eligible borrowers such that the maximum interest rate to the borrower is equal to one-half of the interest rate charged by the local lending institution to the borrower as described in K.S.A. 75-4287(g), and (2) to deposit or invest in low-yielding deposit accounts, certificates of deposits, or other authorized investments as set forth in a participation agreement between the state treasurer and eligible lending institutions. The local lending institution shall make loans available such that the maximum interest rate to the borrower is equal to one-half of the interest rate charged by the local lending institution to the borrower as described in K.S.A. 75-4287(g), for the design, construction, rehabilitation, and enhancement of conservation practices that address nonpoint source pollution within the state.

**Local Conservation Lending Program
Future Contact List & Request for Recommendations**

Listed below are the agencies, organizations and associations with which KDHE staff plans to meet to discuss the proposed local conservation lending program to gain feedback and support.

Contacted with Informational Email and/or Plan to Contact at Later Date*

- Kansas Livestock Association (KLA) – Dee Likes, Executive Vice President
- USDA NRCS – Eric Banks, KS State Conservationist
- Community Bankers Association – Shawn Mitchell, President/CEO
- Frontier Farm Credit
- Kansas Agricultural Alliance (KAA)
- Kansas Water Authority (c/o KWO) – Gary Harshberger, Chair
- State Association of Kansas Watersheds (SAKW) – Herb Graves *Scheduled to present at Annual Meeting on 1/21/2014
- Kansas State KCARE - Dan Devlin, Director

***The KDHE Watershed Management Section would appreciate any feedback from you as to other agencies that might be contacted to discuss the proposed program.**

How To Apply

1. Contact the Kansas Department of Health and Environment (KDHE) to determine project eligibility. If eligible, complete a project application and submit to KDHE.
2. Project must meet applicable design standards and a cost estimate must accompany the signed application form.
3. Upon KDHE approval, a copy of the approved application shall be provided to the local bank to apply for a loan.
4. If approved, KDHE will receive written notice from lender and construction may begin. Borrower keeps records of costs and invoices.
5. Upon completion of the project, a final inspection will be conducted to verify project expenses.



About Linked Deposit Loans

The KDHE works with local banks to provide low-interest loans for qualifying conservation practices. The KDHE agrees to accept a lower rate of return on an investment and the local bank agrees to provide a loan to eligible borrowers at lower interest rates.

For More Information, Contact:

Cara Hendricks, P.E.
LCLP Program Manager
Kansas Department of Health and Environment
chendricks@kdheks.gov
(785) 296-5558



www.kdheks.gov

LOW-INTEREST LOANS TO PROTECT WATER IN KANSAS



Local Conservation Lending Program (LCLP)





Constructed Wetland



Cover Crop Field



Pervious Pavement

Kansas Local Conservation Lending Program offers low-interest loans for Farmers and Livestock Producers, Homeowners, Watershed Organizations and Others

The Kansas LCLP is a low-interest loan program that provides low-cost financing to landowners, agricultural producers, watershed organizations, and others to implement conservation practices to protect the water quality of Kansas streams and lakes.

A borrower selects a local bank that participates in the program and submits an application for a low-interest loan.

ELIGIBLE BORROWERS

- ☑ Agricultural Producers
- ☑ Home and landowners
- ☑ Watershed Organizations
- ☑ Local Businesses

PROGRAM BENEFITS

- ☑ Lower interest rates provide significant cost savings over other funding options.
- ☑ Loans are available to a variety of borrowers and can be used with other traditional conservation programs.
- ☑ Open enrollment allows access to loans when needed, with a simple and efficient application and approval process.

LOAN TERMS

- Loan amounts start from \$2,000
- Loan terms up to 10 years (varies)
- Low interest rate for life of loan
- Up to 100% of actual costs eligible for funding

ELIGIBLE PROJECTS

A broad range of projects are eligible, with four main conservation project categories or tracks, as listed below. All of the project types aim to reduce sediment and nutrient runoff from various land use, ranging from agricultural operations to urban development while protecting water quality.

- ☑ **General Conservation Projects:** Terraces, grassed waterways, urban stormwater management projects, constructed wetlands, habitat and riparian restoration, other conservation field practices, etc.
- ☑ **Livestock Projects:** Alternative watering facilities, planned grazing systems, livestock waste systems, livestock exclusion, feedlot relocation, etc.
- ☑ **Stream Restoration Projects:** Streambank stabilization, stream restoration projects, riparian buffer restoration, gully restoration, etc.
- ☑ **Onsite Wastewater Assistance:** Replacement/rehabilitation of private septic systems, etc.

*Not all eligible practices are listed above. The KDHE LCLP Program Manager can be contacted for more details and to determine project eligibility.



**NRCS HIGHLIGHTS OF ACTIVITIES
for the
STATE CONSERVATION COMMISSION
Manhattan, KANSAS
January 12, 2015**

PERSONNEL

Reassignments

and/or Promotions: Tanya L. Allemang, District Conservationist, Oakley, to Supervisory District Conservationist, Oakley Management Unit
Kenneth L. Bowell, District Conservationist, Salina, to Supervisory District Conservationist, Abilene Management Unit
Timothy R. Miller, Rangeland Management Specialist, Lawrence, to Supervisory District Conservationist, Lawrence Management Unit

Retirements:

Harold R. Blume, Environmental Engineer, State Office, Salina
Gary C. Bruner, District Conservationist, Ottawa
C. Roseann (Rosie) Collins, Programs Secretary, State Office, Salina
Gene C. Detrixhe, Soil Conservation Technician, Russell

OPERATIONS

Administrative Transformation is still moving forward to set up national service delivery teams to handle administrative functions within the Natural Resources Conservation Service (NRCS). National teams are currently in place to handle hiring, accounts payable, contracting, employee travel/relocation, reimbursable agreements, and vehicle/property management. Kansas has six employees working on details to these national teams.

The local support structure is moving forward as a part of the Administrative Transformation. The Assistant State Conservationist for Management and Strategy position, which replaces the Assistant State Conservationist for Operations and the State Administrative Officer, has been advertised and closed January 2.

PROGRAMS

Conservation Security Program (CSP)

- Annual payments in the amount of \$99,147 (unofficial) have been made. Payments requested to be paid in calendar year 2015 are currently being processed and must be completed by February 27, 2015.

Conservation Stewardship Program (CStP)

- Annual payments in the amount of \$2,864,543(unofficial) were made in 2014. Payments requested to be paid in calendar year 2015 are currently being processed and must be completed by February 27, 2015.
- Kansas renewed 339 CStP contracts (unofficial) obligating an additional \$8,280,589 (unofficial).
 - o Renewed contracts began January 1, 2015, and run for five years.
 - o Enhancements must be maintained from the old contract under the renewed contract.
 - o New enhancements will be implemented.

Conservation Innovation Grants (CIG)

- Kansas Alliance for Wetlands and Streams received approval of a \$49,978 (unofficial) grant to adopt a multi-front approach to increase cover crops. The grant is active and the first request for funds is being processed now.

Easement Programs

- **Agricultural Conservation Easement Program-Agricultural Land Easements (ACEP-ALE) and Agricultural Conservation Easement Program-Wetland Reserve Easements (ACEP-WRE)**
Fourteen ACEP-WRE offers accepted. Currently working on completing easement boundary surveys.
- **Wetlands Reserve Program (WRP)**
Workload is now focused on backlog of restoration work that is needed. There are 18 projects that need restoration/construction completed.

Environmental Quality Incentives Program (EQIP)

- The application cutoff for fiscal year (FY) 2015 General EQIP was November 21, 2014. There are currently 1,809 applications (unofficial) entered into our contracting system for funding consideration.
- **EQIP—Initiatives**
 - o The application cutoff for FY2015 initiatives is March 20, 2015.
 - o State guidance for the following initiatives has been drafted and will be released soon:
 - National On-Farm Energy Initiative
 - National Seasonal High Tunnel Initiative
 - National Organic Initiative
 - National Water Quality Initiative
 - Working Land for Wildlife – Lesser Prairie-Chicken Initiative
 - Ogallala Aquifer Initiative
 - o News releases will be issued 30 days prior to the announcement of the application cutoff.

Regional Conservation Partnership Program (RCP)

- Kansas had 2 pre-proposals invited to submit a full proposal and one national pre-proposal was invited to submit a full proposal.
- Proposals have been further evaluated using the following criteria:

- Addressing resource concerns and measuring outcomes
- Delivering high percentages of applied conservation to address conservation priorities or local, State, regional, or national conservation initiatives
- Significant leverage of non-Federal financial and technical resources
- Coordination with other local, state, regional, or national efforts
- Innovation in conservation methods and delivery
- Assisting producers in meeting or avoiding the need for a natural resource regulatory requirement
- The Secretary of Agriculture is expected to announce those applicants selected for funding soon.
- After the project selection announcement, NRCS will work with selected applicants to determine the final funding level and program designation that works best for individual projects. Keeping the momentum going, NRCS will announce the next round of RCPP funding availability early next year.

Watershed Rehabilitation Program Activities

- Kansas NRCS is working with four watershed districts through Project Agreements and Reimbursable Agreements to initiate the Rehabilitation Planning for 5 dams during FY15.
- The Spring Creek Watershed District in Sedgwick County has been actively working on rehabilitation construction of their R-1 Dam near Garden Plain, Kansas, since mid-July. Construction completion is expected by February 2015.
- Watershed districts and local NRCS field offices continue working together to ensure annual inspections on all NRCS-assisted flood control structures. To date, 652 of the 751 dam inspections required, have been received for calendar year 2014. Thanks to Conservation Partnerships and communications, we have been able to increase reporting of annual inspections, achieving at least an 87 percent response for the year.

TECHNOLOGY

- Another Planning and Applying Conservation Practices Workshop, similar to the one held in Salina last October, will be held in Manhattan, Kansas, on March 9-13, 2015. The workshop will be for training newer NRCS employees, as well as Division of Conservation and Pheasants Forever technicians located primarily within the Manhattan Administrative Area, Area IV.
- Policy and guidance is being developed by the state conservation engineer for use of LiDAR for engineering designs by NRCS in Kansas. LiDAR is a valuable engineering tool now available, but must be used within its limitations to ensure accurate surveys and designs.
- Guidance is also being developed by the state office engineering staff pertaining to distribution of electronic drawings and surveys to contractors, landowners, and others upon request.
- Five Percent Engineering Spot Checks for FY2014 have been completed throughout the state. Thanks to all the area engineering staff for completing the spot checks in a prompt manner.

Resource Conservation Activities

- Resource staff is providing technical assistance and support to conservation programs development for FY2015.
- Resource staff continues to provide assistance across the state providing technical information and demonstrations on the importance in making improvement in soil health on crop, range, and pasture.
- Resource staff will provide Conservation Planning information to the Kansas Department of Health and Environment Watershed Management Section in March.
- Resources staff continues to provide technical assistance, training, and coordination to field staff and agencies regarding the lesser prairie chicken and other broad landscape species of concern.

OUTREACH

Outreach Events

NRCS will have a booth at the following events:

No-till on the Plains—January 27, 28, Salina, Kansas

Kansas Natural Resources Conference—January 28-30, Wichita, Kansas

Women Managing the Farm—February 5, 6, Manhattan, Kansas

News Releases

- **NRCS Seeks Public Comments on Conservation Stewardship Program Interim Rule**
Salina, Kansas, November 18, 2014—The U.S. Department of Agriculture's (USDA's) Natural Resources Conservation Service (NRCS) in Kansas is seeking public comments on changes to the Conservation Stewardship Program (CSP) interim final rule.

FY 2014 DOC State Water Plan Funds

