

## MINUTES

### CALL TO ORDER

The Oklahoma Conservation Commission met Monday, February 9, 2009, in the Agriculture Building Board Room, 2800 N. Lincoln Boulevard, Oklahoma City, Oklahoma. The meeting was called to order at 9:00 a.m. by Chairman Dan Lowrance. He stated this was a regularly scheduled meeting in accordance with the Open Meeting Law, Title 25, Sections 301 and following as amended. The agenda for this meeting was posted February 5, 2009, at the front entrance of the building.

### ROLL CALL

Kim Tweed, Executive Secretary, took roll call and the following members were in attendance:

Dan Lowrance, Chair  
Virginia Kidd, Vice Chair  
Matt Gard, Secretary  
Mike Rooker, Member  
George Stunkard, Member

Others in attendance were:

Mike Thralls, Executive Director  
Ben Pollard, Assistant Director  
Steve Coffman, Financial Management and Human Resources Director  
Robert Toole, Conservation Programs Director  
Shanon Phillips, Water Quality Program Interim Director  
Mike Kastl, Abandoned Mine Land Program Director  
Mike Sharp, Information Technology Director  
Lisa Knauf, District Services Director  
Mark Harrison, Information Representative  
Stacey Day, Water Quality Technical Writer  
Tammy Sawatzky, Conservation Programs Deputy Director  
Gina Levesque, Conservation Reserve Enhancement Program Coordinator  
Jerry Starkey, Conservation Reserve Enhancement Program Plan Writer  
Regina Switzer, Assistant Attorney General  
Gary O'Neill, Natural Resources Conservation Service Assistant State Conservationist  
Kelly Bounds, [ecapitol.net](mailto:ecapitol.net)  
Kim Tweed, Executive Secretary

### PLEDGE OF ALLEGIANCE

Mr. Stunkard led the group in the Pledge of Allegiance.

## **MINUTES OF PREVIOUS MEETING**

A motion was made by Mr. Stunkard and seconded by Ms. Kidd to approve the minutes of the January 5, 2009, Commission meeting as written. Those voting aye were: Lowrance, Kidd, Gard, Rooker and Stunkard. Nay votes: none. Motion carried.

## **DISTRICT DIRECTOR RESIGNATIONS AND APPOINTMENTS**

Mike Thralls, Executive Director, presented recommendations for appointment of conservation district directors as listed in Exhibit #1. A motion was made by Mr. Rooker and seconded by Mr. Stunkard to approve district director appointments listed as First Recommendation in Exhibit #1 with terms to expire as indicated. Those voting aye were: Lowrance, Kidd, Gard, Rooker and Stunkard. Nay votes: none. Motion carried.

## **CLAIMS/FINANCIAL STATEMENT**

Steve Coffman, Financial Management and Human Resources Director, presented the claims and financial statement as listed in Exhibit #2. After discussion, a motion was made by Mr. Stunkard and seconded by Mr. Gard to approve the claims and financial statement. Those voting aye were: Lowrance, Kidd, Gard, Rooker and Stunkard. Nay votes: none. Motion carried.

## **EMPLOYEE RECOGNITIONS**

Stacey Day, Water Quality Technical Writer, was recognized for being named the Employee of the Quarter during the December full staff meeting.

## **PRESENTATION OF AGREEMENTS**

Ben Pollard, Assistant Director, presented the new agreement for approval as listed in Exhibit #3. After discussion, a motion was made by Ms. Kidd and seconded by Mr. Stunkard to approve the agreements as presented. Those voting aye were: Lowrance, Kidd, Gard, Rooker and Stunkard. Nay votes: none. Motion carried.

## **OUT OF STATE TRAVEL REQUESTS**

Mr. Thralls presented the out of state travel request for approval as listed in Exhibit #4. A motion was made by Mr. Stunkard and seconded by Mr. Gard to approve the requests as listed. Those voting aye were: Lowrance, Kidd, Gard, Rooker and Stunkard. Nay votes: none. Motion carried.

## **CHANGES TO THE COST SHARE PROGRAM YEAR 10 GUIDELINES**

Robert Toole, Conservation Programs Director, recommended approval of additions to the Cost-share Program - Program Year 10 Guidelines listed as agenda items 10 (a) and 10 (d). He stated that agenda items 10 (b) and 10 (c) are included in the new Exhibit 5; therefore, those items will be recommended for approval during the next agenda item.

A motion was made Mr. Gard and seconded by Mr. Rooker to approve agenda items 10 (a) and (d) as presented. Those voting aye were: Lowrance, Kidd, Gard, Rooker and Stunkard. Nay votes: none. Motion carried.

## **COST-SHARE PROGRAM YEAR 10 SPECIAL REQUESTS FROM DISTRICTS**

Mr. Toole provided an updated Exhibit #5 and recommended approval. A motion was made by Ms. Kidd and seconded by Mr. Stunkard to approve the requests as listed in Exhibit #5. Those voting aye were: Lowrance, Kidd, Gard, Rooker and Stunkard. Nay votes: none. Motion carried.

## **ADOPTION OF THE FOLLOWING PERMANENT RULES**

Mr. Pollard recommended approval of Title 155: Chapter 40. Water Quality Programs as listed in Exhibit #7. The rule contains a minor change in response to a comment received by the Oklahoma Farm Bureau. A motion was made by Mr. Stunkard and seconded by Mr. Rooker to approve the rules as listed in Exhibit 7. Those voting aye were: Lowrance, Kidd, Gard, Rooker and Stunkard. Nay votes: none. Motion carried.

Mr. Pollard recommended that the Carbon Sequestration Program rules be tabled until the March meeting due to the number of comments received. A motion was made by Ms. Kidd and seconded by Mr. Gard to table the rules. Those voting aye were: Lowrance, Kidd, Gard, Rooker and Stunkard. Nay votes: none. Motion carried.

## **PRESENTATION OF RESULTS OF 2003 SPAVINAW CREEK PRIORITY WATERSHED PROJECT INCLUDING CONTINUED WATER QUALITY IMPROVEMENT IN THE BEATY CREEK WATERSHED.**

Stacey Day, Water Quality Programs Technical Writer, provided a status report on the results of the 2003 Spavinaw Creek Priority Watershed Project as listed in Attachment A.

## **WATER QUALITY DIVISION ITEMS REQUIRING ACTION:**

Shanon Phillips, Water Quality Program Interim Director, stated that the Delaware County, Adair County, and Cherokee County Conservation District Boards are requesting the addition of cross-fencing as an eligible cost-share practice under the Illinois River Project. The cost-share rate would be 80%. The project has currently obligated \$933,635 of its \$1.4 million implementation budget for riparian area practices and septic system upgrades. Staff has found a number of producers who are also interested in upland pasture improvement through cross-fencing. A motion was made by Ms. Kidd and seconded by Mr. Rooker to approve the recommendation. Those voting aye were: Lowrance, Kidd, Gard, Rooker and Stunkard. Nay votes: none. Motion carried.

Ms. Phillips is recommending approval of a cost-share payment for CREP Cooperator Leslie Gore. Mr. Gore was one of the first producers to sign up with the program and has patiently endured setbacks and delays in agreements, contract signings, and other activities due to no fault of his own. Mr. Gore installed the fence with the understanding that it would be reimbursed at the appropriate CREP rates. Staff is recommending reimbursement to Mr. Gore in the amount of \$1,644.62 for our portion of the fence. Steps have been taken to ensure this won't happen in the future by clarifying with the landowners which portion of the payment will come from the State and which portion will come from FSA and ensuring that agreements are signed prior to the installation of practices. A motion was made by Mr. Stunkard and seconded by Ms. Kidd to approve the reimbursement. Those voting aye were: Lowrance, Kidd, Gard, Rooker and Stunkard. Nay votes: none. Motion carried.

**DISCUSSION OF THE GOVERNOR'S RECOMMENDED BUDGET AND LEGISLATIVE BUDGET REQUEST AND PERFORMANCE MEETINGS.**

Mr. Thralls provided copies of the Governor's recommended budget for the Commission as listed in Attachment B as well as information provided to House and Senate committees as listed in Attachment C.

He stated that the Governor's budget includes a 5.2 percent budget reduction; however, the bond repayment was included in the total FY09 appropriation. The Governor is also recommending a 10 percent reduction in travel expenses to the agency. The travel reduction figure includes travel paid with state and federal dollars. The total state dollars paid for travel was approximately \$73,000.

Staff has advised House and Senate committees that the Commission could take a three to five percent budget cut but anything higher would start affecting employees.

**PUBLIC COMMENTS**

None.

**NEW BUSINESS**

None.

**NEXT MEETING**

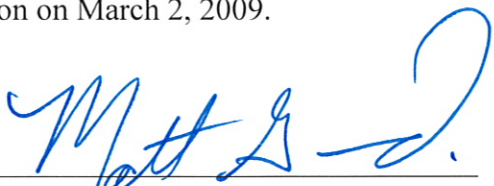
The next regular meeting of the Oklahoma Conservation Commission will be held on March 2, 2009, in the Agriculture Building Board Room, 2800 N. Lincoln Boulevard, Oklahoma City, Oklahoma beginning at 9:30 a.m.

**ADJOURNMENT**

There being no further business a motion was made by Ms. Kidd and seconded by Mr. Gard to adjourn. Those voting aye were: Lowrance, Kidd, Gard, Rooker and Stunkard. Nay votes: none. Motion carried. The meeting adjourned at 9:55 a.m.

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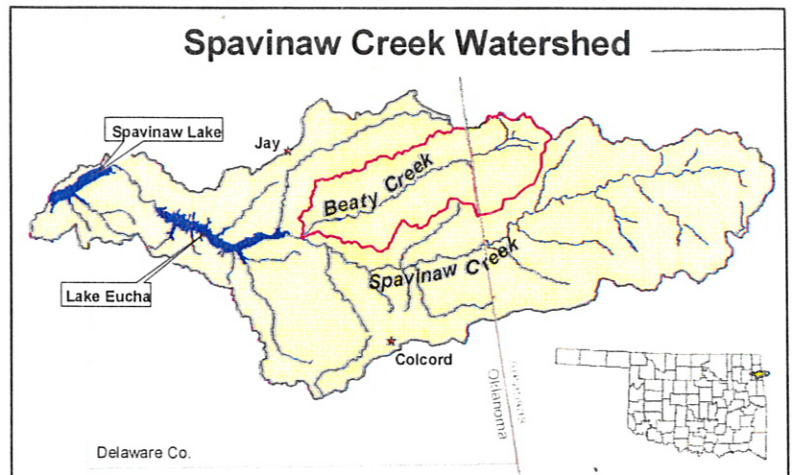
Approved by the Oklahoma Conservation Commission on March 2, 2009.

  
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CHAIR *Acting*

## Success in the Beaty Creek Watershed 1998-2008: 66% Phosphorus Load Reduction

### History:

- **1990s:** Lakes Eucha and Spavinaw (water supply for Tulsa area) begin to have **algae blooms and taste/odor issues**
- **1997:** Clean Lakes Study determines that **excessive phosphorus loading** to Lake Eucha is cause of problems; **animal waste is one of the likely sources** of this phosphorus
- **1998:** Oklahoma Conservation Commission (OCC) begins a **demonstration project** in the **Beaty Creek** watershed (a subwatershed) to assess the potential to improve water quality through “best management practices” (BMPs)
- **2003:** OCC begins a **319 project** to encompass the **entire Oklahoma portion of the Spavinaw Creek watershed**



### Project Planning:

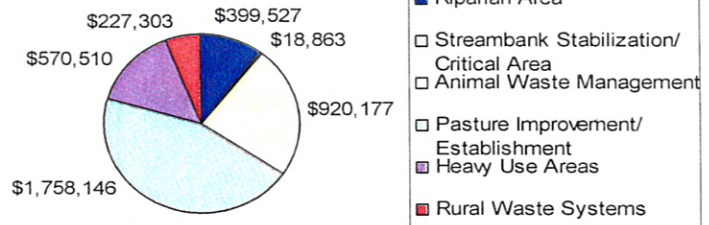
- **Objective:** To demonstrate the effectiveness of BMPs in reducing nutrient loading to streams.
- **Funded** through EPA Clean Water Act Section 319 grants that require a 40% nonfederal match. 1998 Beaty Creek Watershed project totaled **\$1,938,856**; 2003 Spavinaw Creek Watershed project totaled **\$3,425,729**.
- **Partnered** primarily with the Delaware County Conservation District and the local USDA-Natural Resources Conservation Service (NRCS).
- **Locally-led** effort: Hired local project staff to coordinate project. Based practices and cost-share rates on the advice of a “watershed advisory group” of conservation district board members, cattlemen, poultry growers, swine producers, dairymen, homeowners, and representatives from the poultry integrators, Oklahoma Trust for Public Lands, and minorities.
- **Practices** were **targeted** towards most significant sources in “hotspot” areas based on GIS modeling by OSU. Practices (and cost-share rates) included Riparian Area Establishment / Management & Buffer Zone / Filter Strip Establishment (80% to 100%), Streambank Stabilization (80%), Composters / Animal Waste Storage Facilities (60%), Pasture Establishment / Management (60%), Proper Waste Utilization (8¢ to 15¢ per pound of litter applied properly or moved out of watershed), Heavy Use Areas (60%), and Rural Waste System Installation / Repair (80%).

### Project Implementation:

The 2003 Spavinaw Creek Watershed Project has enhanced the implementation in Beaty Creek; Beaty Creek landowners have continued to install practices and have kept practices in place.

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|--|--|
| <ul style="list-style-type: none"> <li>• <b>1998 Beaty Creek project:</b><br/><b>89 cooperators</b>; approx. 50% of acreage <ul style="list-style-type: none"> <li>○ \$1,468,727 of practices installed, total</li> <li>○ \$495,800 from State funds</li> <li>○ \$546,615 from Federal 319 funds</li> <li>○ \$426,311 from landowners (29%)</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• <b>2003 Spavinaw Creek project:</b><br/><b>160 cooperators</b>; approx. 26% of acreage <ul style="list-style-type: none"> <li>○ \$2,337,441 of practices implemented, total</li> <li>○ \$147,904 from State funds</li> <li>○ \$1,184,437 from Federal 319 funds</li> <li>○ \$1,005,100 from landowners (43%)</li> </ul> </li> </ul> |
|--|--|

- **Best Management Practices (BMPs)** installed through both projects include:
  - 485 acres of protected **riparian area** and field buffers established
  - 55 acres of critical area planting for **streambank stabilization**
  - 14 **cakeout houses** and 49 **waste storage facilities** constructed
  - **Pasture improvement** through installation of 398,241 linear feet of cross-fence; planted over 2,600 acres of pasture that was formerly either cropland or poorly vegetated pasture; installed 188 water tanks, 49 ponds, and 60 wells to optimize pasture usage
  - Approximately 28,236 tons of **litter applied properly** (after soil test) **or moved out of watershed**
  - 128 **heavy use areas** installed
  - 87 **septic systems** installed and 23 septic systems pumped out
  - **BMP Funding Breakdown:**



### Project Monitoring and Results:

- **Paired Watershed Design:** Used automated samples to monitor a site on Beaty Creek, where BMPs were installed as part of 319 projects from 2000-2008, and a “control” site on Little Saline Creek, where no BMPs were implemented through the 319 project. The comparison of data from the control watershed to the data from Beaty Creek allows estimation of the effect of BMPs while controlling for environmental variability. **Automated samplers** collect continuous flow-weighted data; this allows statistically robust analysis of nutrient loading.
- 2006 analysis of data showed **31% reduction** in phosphorus load in Beaty Creek (*2 years of data after implementation*); 2008 analysis of data shows **66% reduction in phosphorus load** in Beaty Creek (*4 years of data after implementation*) as compared to what would have been expected without the installation of BMPs.
- Beaty Creek, where BMPs were implemented, had **significant reductions in average nutrient loading** four years after implementation, while Little Saline Creek, the control watershed where no BMPs were implemented through the 319 program, had *increased* nutrient loading:

Average Total Phosphorus Load (lbs/week)					
Beaty Calibration (1999-2001)	Beaty Post-Implementation (2003-2007)	Beaty Change	L. Saline Calibration (1999-2001)	L. Saline Post-Implementation (2003-2007)	L. Saline Change
139.0	116.9	↓	30.8	48.5	↑

- **Bacteria levels** have been **significantly reduced** since BMP implementation; Beaty Creek was removed from the impaired list in 2006 for *E. coli* bacteria.
- Spavinaw Creek is being monitored in a similar way as Beaty: Saline Creek and Flint Creek are control watersheds and will be compared to Spavinaw to assess the effects of BMPs. **Similar load reductions are expected in Spavinaw Creek within a couple of years**, after the maturation of BMPs.
- **Continuing efforts** in the Spavinaw Creek watershed:
  - **2008 Spavinaw Creek Project** – Projected implementation total \$716,000\* through 2010  
(\*includes expected \$200,000 landowner contribution, approx. 40%)
  - **Conservation Reserve Enhancement Program (CREP)** – \$20.6 million to protect riparian areas in the Illinois River and Eucha/Spavinaw watersheds for at least 15 years; City of Tulsa has pledged at least \$1.25 million for permanent easements.

*To see success, it takes long-term commitment from landowners and government. †*

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# *Success in the Beaty Creek Watershed 1998-2008*

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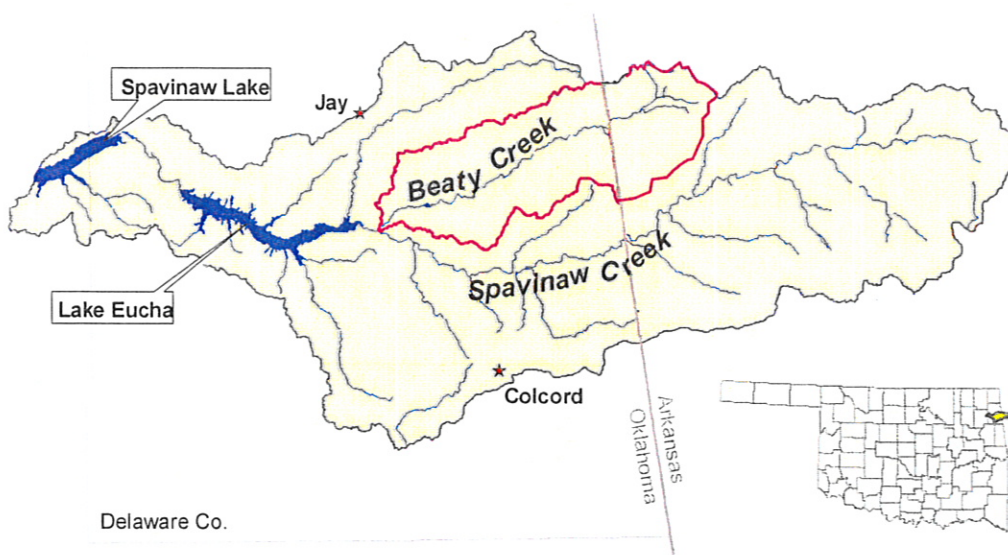
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## Background

- **1990s:** Lakes Eucha and Spavinaw (water supply for Tulsa area) begin to have algae blooms and taste/odor issues
- **1997:** Clean Lakes Study determines that excessive phosphorus loading to Lake Eucha is cause of problems; animal waste is one likely source of this phosphorus
- **1998:** OCC begins a 319 demonstration project in the Beaty Creek watershed (a subwatershed) to assess the potential to improve water quality through "best management practices" (BMPs)
- **2003:** OCC begins a 319 project to encompass the entire Oklahoma portion of the Spavinaw watershed



## Spavinaw Creek Watershed



## Funding

### ■ 1998 Beaty Creek Project

- Implementation Total - \$1,559,250 (*cooperators paid 29%*)
- Project Total - \$1,938,856

### ■ 2003 Spavinaw Creek Project

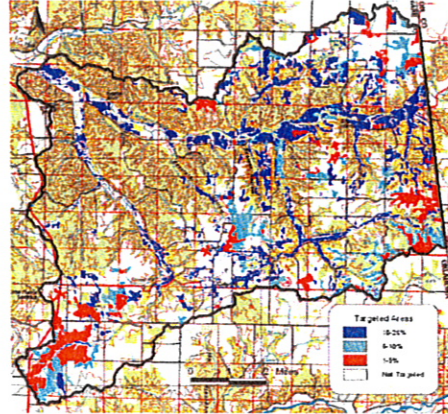
- Implementation Total - \$2,337,441 (*cooperators paid 43%*)
  - *Includes \$147,904 from State funding*
- Project Total – \$3,425,729





# Project Overview

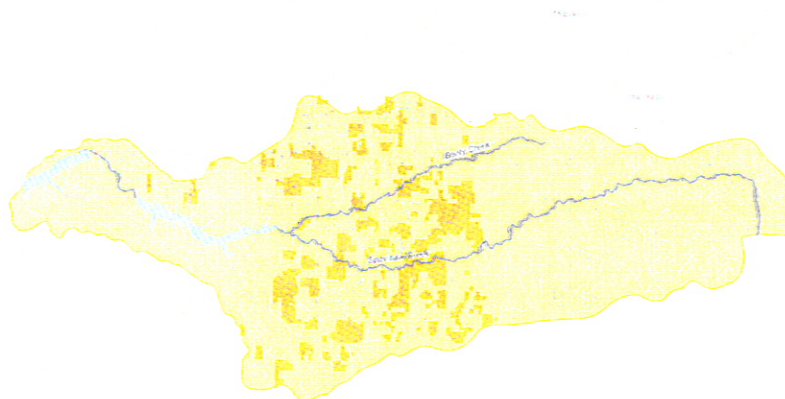
- Worked through Delaware Co. Conservation District and with local NRCS
- Hired local project staff to coordinate
- Based practices and cost-share rates on Beaty Creek Project
- Targeted practices towards most significant sources in “hotspot” areas based on GIS modeling by OSU



# Project Results

160 cooperators; 26% of the watershed with BMPs

Conservation Plans  
Spavinaw Creek Watershed



Conservation Plans  
Spavinaw Creek Watershed

0 2.5 5 Miles



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## Practices and Cost-Share Rates

- **Riparian Area Establishment / Management & Buffer Zone / Filter Strip Establishment –**  
*80% to 100% cost-share*
  - 155 acres of protected riparian area established
- **Streambank Stabilization - 80% cost-share**
  - 55 acres of critical area planting
- **Composters / Animal Waste Storage Facilities -**  
*60% cost-share*
  - 10 cakeout houses and 35 waste storage facilities constructed



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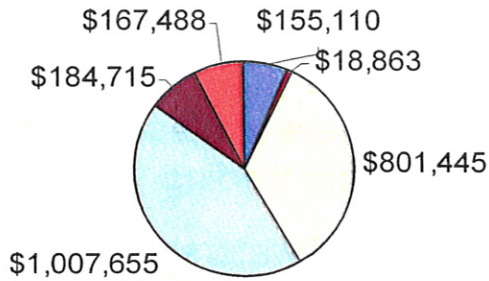
## Practices and Cost-Share Rates

- **Pasture Establishment / Management – 60% cost-share**
  - 234,034 linear feet of cross-fence
  - over 1,000 acres of planting and fertilizing pasture
  - 84 water tanks, 19 ponds, 45 wells to optimize pasture usage
- **Proper Waste Utilization - 8¢ to 15¢ per pound of litter**  
applied properly or moved out of watershed
  - approximately 28,000 tons of litter
- **Heavy Use Areas - 60% cost-share**
  - 83 areas installed
- **Rural Waste Systems - 80% cost-share**
  - 62 septic systems installed
  - 23 systems pumped out



# Implementation Funding Summary

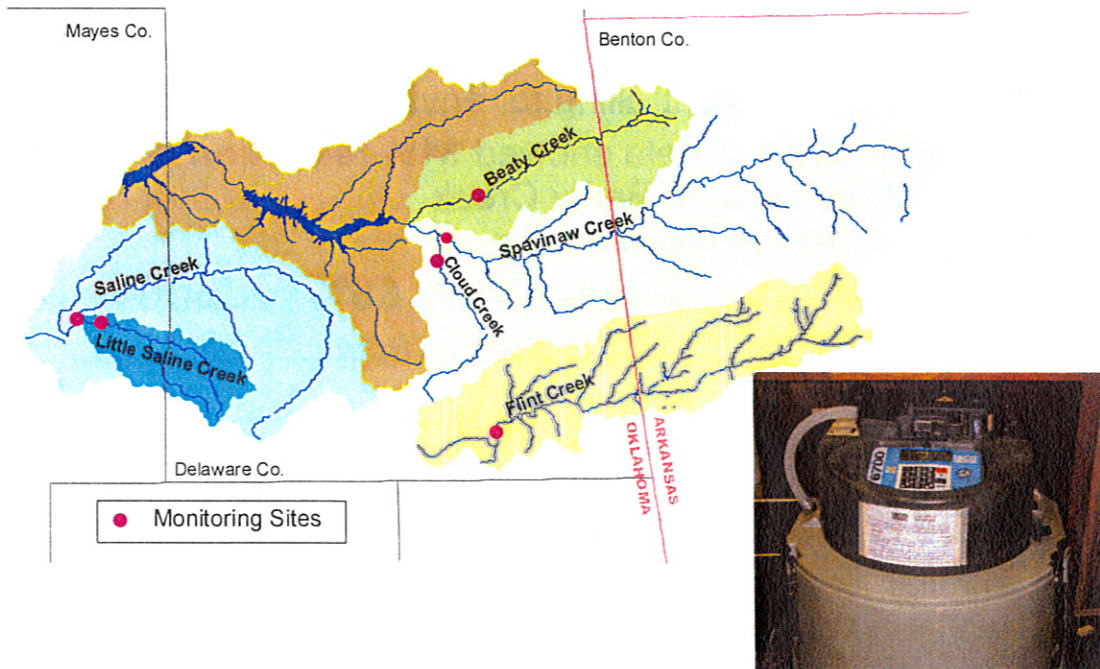
## BMP Funding



- Riparian Area
- Streambank Stabilization/  
Critical Area
- Animal Waste Management
- Pasture Improvement/  
Establishment
- Heavy Use Areas
- Rural Waste Systems



# Water Quality Monitoring



## Change in Total Phosphorus Load

Average Total Phosphorus Load (lbs/week)					
Beaty Calib.	Beaty Post-Impl.	Beaty Change	L. Saline Calib.	L. Saline Post-Impl.	L. Saline Change
139.0	116.9	↓	30.8	48.5	↑

- Beaty Cr. watershed, where BMPs were implemented, had **significant reductions** in nutrient loading
- Little Saline Cr. watershed, the control watershed where no BMPs were implemented through the 319 program, had *increased* nutrient loading



## Change in Total Phosphorus Load

- Paired watershed analysis allows estimation of the effect of BMPs while controlling for environmental variability
- 2006 analysis of data showed **31% reduction** in phosphorus load in Beaty Creek  
(2 years of data after implementation)
- 2008 analysis of data shows **66% reduction** in phosphorus load in Beaty Creek  
(4 years of data after implementation)
- Loading is expected to continue to decrease as more litter moves out of the watershed, as BMPs mature, and as more BMPs are implemented
- Similar load reductions are expected in Spavinaw Creek within a couple of years



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## Current Water Quality Concerns

- Beaty Creek is currently impaired by *Enterococcus* bacteria, but the bacteria levels have been significantly reduced since BMP implementation; Beaty Creek was removed from the impaired list in 2006 for *E. coli* bacteria
- Lakes Eucha and Spavinaw are still impaired for phosphorus and nutrient-related issues



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## Continued Efforts in the Spavinaw Creek Watershed

- **2008 Spavinaw Creek Project**
  - Implementation Total, projected – \$716,000\*
  - Project Total, projected - \$1,228,910\*

*\*includes expected \$200,000 landowner contribution (approx. 40%)*
- **Conservation Reserve Enhancement Program (CREP)**
  - \$20.6 million to Protect Riparian Areas for at least 15 years
  - City of Tulsa has pledged at least \$1.25 million for permanent easements



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## Continued Efforts in the Spavinaw Creek Watershed

- OCC will continue to involve local community in implementing BMPs and education
- OCC will continue to monitor water quality in the watershed to assess cumulative benefits of implementation

*To see **success**, it takes long-term commitment  
from landowners and government*

*View Oklahoma's nationally recognized Water Quality successes:*

<http://www.epa.gov/nps/success/>

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## Executive Summary

While the global recession has not hit Oklahoma as hard as many states, economic uncertainty provides a host of challenges for the 2010 budget year. Governor Henry's budget for 2010 reflects the thrift and sacrifice necessary during this period. It makes precise, targeted cuts while protecting core services of government such as education, healthcare, public safety and transportation.

A tighter budget also offers opportunities to improve overall government efficiency. Governor Henry's budget includes purchasing reforms, streamlining of information technologies and other cost-effectiveness measures.

Nevertheless, the budget proposed by Governor Henry looks ahead with bold strategies for long-term economic growth. The 2010 executive budget calls for a permanent funding mechanism for the EDGE (Economic Development Generating Excellence) Research Endowment, one of the most innovative tools by which the State of Oklahoma can cultivate high-tech businesses and jobs. By dedicating future interest earnings from the state Rainy Day Fund to EDGE projects and earmarking 35 percent of annual state investment earnings for the endowment itself, Oklahoma can make tremendous strides toward creating a \$1 billion endowment to spur cutting-edge research and development in such industries as biotech, aerospace and renewable energies.

The budget also builds on the nationally recognized success of Insure Oklahoma, a public/private partnership that enables eligible small businesses to provide health insurance for employees. Under Governor Henry's budget, Insure Oklahoma would boost participation by allowing additional low-cost choices, such as high-deductible and tailored-benefit plans.

In recent years, the State of Oklahoma has made significant investments to strengthen common and higher education, improve transportation infrastructure, enhance public safety and ensure more accessible and affordable healthcare for Oklahomans. The 2010 budget seeks to protect the gains in these areas with an eye on future improvements when revenue conditions stabilize.

## Conservation Commission

### Notable Achievements

- Working cooperatively with the USDA's Natural Resources Conservation Service and Oklahoma's 88 conservation districts, a total of \$42.3 million in conservation financial assistance was delivered to Oklahoma landowners. This financial assistance through the Federal Farm Bill conservation programs included the installation of practices to prevent soil erosion, improve water quality, restore wetlands, and improve wildlife habitat.
- During 2008, Oklahoma experienced rainfall events that resulted in flooding that impacted many parts of the state. Because of Oklahoma's 2,105 upstream flood control dams, many areas in the state were successfully protected from catastrophic damage during the spring and summer flood events. USDA economists determined that over \$23 million in flood damages to homes, cities, towns, roads, bridges and agricultural lands was prevented because of the state's flood control infrastructure.
- The Commission's Water Quality Division completed a \$3.4 million program to install best management practices in the Eucha/Spavinaw Watershed. In addition, conservation districts and the Commission moved 53,502 tons of poultry litter out of the Eucha and Illinois River Watersheds. As a result of these and other ongoing efforts in the Eucha Watershed, the Water Quality Division has measured a 68% reduction of phosphorous loading to the Beaty Creek Watershed (a subwatershed of the Eucha Watershed).
- The Commission's Abandoned Mine Land (AML) Division provided reclamation on an abandoned 105 acre coal mine site, in Wagoner County, eliminating dangerous high walls and hazardous water bodies. The Commission also addressed seven emergency projects involving the subsidence of underground mines.

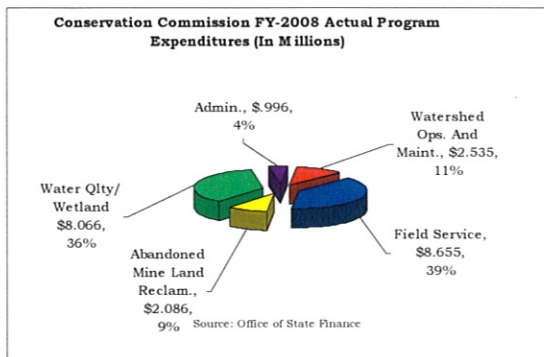
- The Commission partnered with the South Caddo Conservation District and received a \$7.3 million FEMA project to repair flood control works of improvement in the Sugar Creek Watershed in Caddo County. The watershed received significant flood damage from the remnants of Hurricane Erin in August 2007. Planning and design work was initiated in 2008, with construction activities to begin in 2009.
- In the 2008 legislative session, a bill was passed and signed by the Governor authorizing the sale of \$25 million dollar capitol improvement bond for conservation projects. The majority of the bond funds were targeted to repair and rehabilitate upstream flood control structures damaged in the floods of 2007/2008. The conservation bond issue was the most significant appropriation for conservation in the state's history. As of January 2009 the bond issue has been delayed by a court challenge.

### Mission

The Conservation Commission provides technical assistance, financial incentives and educational information through Oklahoma's 88 conservation districts to promote and sustain private land conservation, prevent flooding and protect the state's water resources. The State Conservation Cost Share program, Flood Control Dam Operation, Maintenance and Rehabilitation program and Scarred Land Reclamation program are integral and valuable components of this unique service delivery system.

A large portion of the Conservation Commission's funding comes from federal funds, which totaled 47% of the Commission's FY-2008 funding. The chart below shows the total expenditures for FY-2008, totaling \$22,338,981.



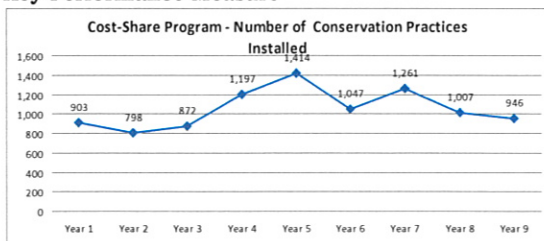


### Cost-Share Program

The Conservation Cost-Share Program is a public-private partnership between the State and private land users. The program encourages implementation of best management conservation practices on Oklahoma lands. This aids in the reduction of soil erosion and the improvement of water quality. Since the program's inception in FY-1999, it has received \$10 million in state appropriations. Of this amount, the Conservation Commission allocated \$8 million to Oklahoma's 88 conservation districts for locally determined conservation priorities. The program has generated an additional \$10.9 million in private landowner investments, as well.

Year	Amount to	
	Appropriation	Each District (88)
FY-2000	\$500,000	\$7,500
FY-2001	1,165,000	15,500
FY-2002	1,500,000	18,100
FY-2003	1,000,000	10,227
FY-2004	500,000	5,682
FY-2005	750,000	8,523
FY-2006	400,000	4,545
FY-2007	400,000	4,545
<b>Total</b>	<b>\$6,215,000</b>	<b>\$74,622</b>

### Key Performance Measure



### Conservation Reserve Enhancement Program

The Conservation Reserve Enhancement Program (CREP) is a joint buffer establishment conservation program between the state and federal government (20% state funds/80% federal funds). This program targets state and nationally significant agriculture-related environmental effects. CREP is a voluntary program that provides financial incentives to farmers and ranchers in order to protect streams. Producers enter into contracts (10 to 15 years in length) to set aside portions of their land to provide protective stream buffers.

Participants in the program receive incentive payments and cost-share assistance for implementing specific conservation practices and establishing nutrient reducing stream buffers. The Conservation Commission, partnering with the city of Tulsa/Tulsa Metropolitan Utilities Authority, the Oklahoma Scenic Rivers Commission, local Conservation Districts, EPA, and USDA have begun a \$20.6 million program for the Eucha/Spavinaw and Illinois River Watersheds. This program will protect approximately 9,000 acres of riparian area with \$16.5 million federal funds matched by \$4.1 million state funds. In addition to protecting water quality in these important watersheds, the program will put at least \$17.6 million into the local economies in the form of payments to landowners. During its first year, the program accepted applications from 56 landowners. Eleven contracts were approved for the program, totaling 1,415 acres of protected riparian area.

### Upstream Flood Control Program

Since 1948, the federal government, through the USDA's Natural Resources Conservation Service (NRCS), has constructed 2,105 upstream flood control dams in the State of Oklahoma (20% of the nation's total). The dams were designed and built with federal funds. Local sponsors (68 of Oklahoma's 88

conservation districts) are responsible for obtaining the necessary land rights and have continuing responsibility for the operation and maintenance of these dams. The federal government’s estimated public investment in these dams is \$2.1 billion in present value. The annual benefit realized from the dams is over \$75 million.

The primary purpose of the dams is to impound water to reduce flooding of prime farmland, highways, communities and residences. The dams also provide water resources for drinking water, recreation, industry, fire protection and significant wildlife habitat.

There is a growing concern and increased interest that many of the early upstream flood control dams that were built under the USDA assisted small watershed program are at or near the end of their 50-year planned design life and may pose a public safety concern. Many of the older small dams have significant rehabilitation needs. Some pose a threat to public safety to people and towns downstream from the dams. Throughout the state, there are 229 dams that have been reclassified as high hazard due to residential and business development downstream. The cost to modify the dams to meet mandated dam safety criteria is over \$200 million, due to upstream and downstream development.

Federal legislation in 2000 authorized cost share assistance through the NRCS to rehabilitate the nation’s upstream flood control dams. To be eligible for rehabilitation, the state and/or local sponsors must provide a 35% match to federal dollars.

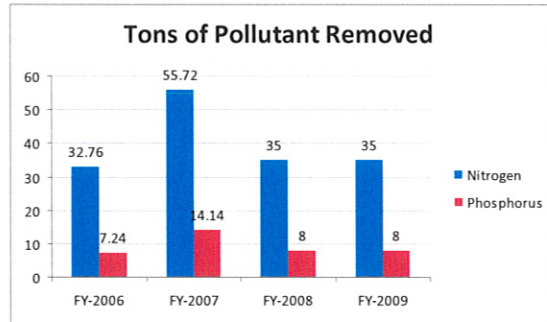
The Conservation Commission, local district sponsors, and NRCS have completed 15 rehabilitation projects and have 23 in planning or design pending the funding for construction.

**Federal 319 Grant for Non-Point Source Pollution**

FY-2008 federal funding from the Clean Water Act Section 319 for Oklahoma’s Non-

point Source management program has increased compared to FY-2007 funding after one-time monies were allocated. The funds are used to implement targeted programs to abate water quality impacts from non-point source pollution.

**Key Performance Measure**



Federal funds must be matched with 40% state and local funds, much of which comes from the Commission’s Conservation Cost-Share Program. Since 1999, the Conservation Commission received approximately \$4.9 million in appropriations, as a state match for federal “EPA 319 Funds”, to reduce nutrient impacts in the Beaty Creek, Illinois River, Lake Wister, Ft. Cobb, Honey Creek (Grand Lake), North Canadian River, Stillwater Creek and Spavinaw Creek priority watersheds.

The programs target non-point source pollution including nutrients, agriculture, silviculture, rural unpaved roads, rural waste systems, non-regulated construction activities and stream bank destabilization. Ongoing and completed Priority Watershed Non-point Source Projects and the totals for best management practice implementation include:

- Beaty Creek Watershed (\$2.1 million) within the Lake Eucha Watershed completed in FY-2005;
- Illinois River Watershed (\$2.0 million) completed in FY-2005;
- Lake Wister Watershed (\$1.9 million) to be completed;

FY-2010 Executive Budget

- Fort Cobb Watershed (\$4.3 million) completed in 2008;
- Stillwater Creek Watershed (\$1.1 million) completed in 2005;
- Spavinaw Creek Watershed (\$5.3 million) to be completed;
- Grand Lake Watershed – Phase I (\$2.1 million) to be completed;
- Honey Creek (Grand Lake) Watershed (1.7 million) to be completed;
- Illinois River Watershed Riparian Project (\$1.6 million) to be completed; and
- North Canadian River Watershed Riparian Project (\$1.1 million) to be completed.

These Priority Watershed Projects include implementation and demonstration of best management practices. The projects also include education programs to encourage watershed residents to help reduce non-point source pollution.

Other grant tasks include:

Technical support of the Non-point Source Management Program;

Funding for a Rotating Basin Monitoring Program;

Non-point Source Total Maximum Daily Load Development;

Development of watershed-based plans for priority watersheds;

Continuation of Statewide Blue Thumb Educational Programs; and

Task coordination and management by the Office of the Secretary of the Environment.

**FY-2010 Recommendation**

<b>FY-2010 Appropriation</b>	
<i>(amounts in thousands)</i>	
<b>FY-2009 Appropriation</b>	<b>\$10,293</b>
<b>FY-2009 Bud. FTE Level</b>	<b>69.5</b>
<b>Actual Ave. YTD FTE</b>	<b>69.5</b>
<b>Funding Adjustments:</b>	
Appropriation Reduction	(515)
Travel Reduction	(20)
Total Adjustments	-535
<b>FY-2010 Recommendation</b>	<b>\$9,758</b>
% Change from FY-2009	-5.20%

Source: Office of State Finance

**Appropriation Reduction**

The Governor's Budget reduces the FY-2010 appropriation for the Conservation Commission by 5% (\$514,648).

**Travel Reduction**

Agency travel funds are also reduced by 10% (\$19,694).

**FY-2010 BUDGET REQUEST OF THE  
OKLAHOMA CONSERVATION DISTRICTS AND THE CONSERVATION COMMISSION**

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1	Operations Shortfall		\$1,946,518
	<i>Commission Operations</i>	<i>\$1,088,872</i>	
	<i>Conservation District Operations</i>	<i>\$616,000</i>	
	<i>Employee Benefit Allowance</i>	<i>\$130,846</i>	
	<i>District Services Operations</i>	<i>\$110,800</i>	
2	Employee Compensation		\$2,300,339
	<i>New Employees / Additional Hours - Conservation Districts</i>	<i>\$1,343,402</i>	
	<i>New Employees - Commission</i>	<i>\$234,586</i>	
	<i>10% COLA - District Employees</i>	<i>\$574,490</i>	
	<i>10% COLA - State Employees</i>	<i>\$147,861</i>	
3	Equipment Revolving Fund		\$1,000,000
4	Geographic Information Services		<u>\$874,000</u>

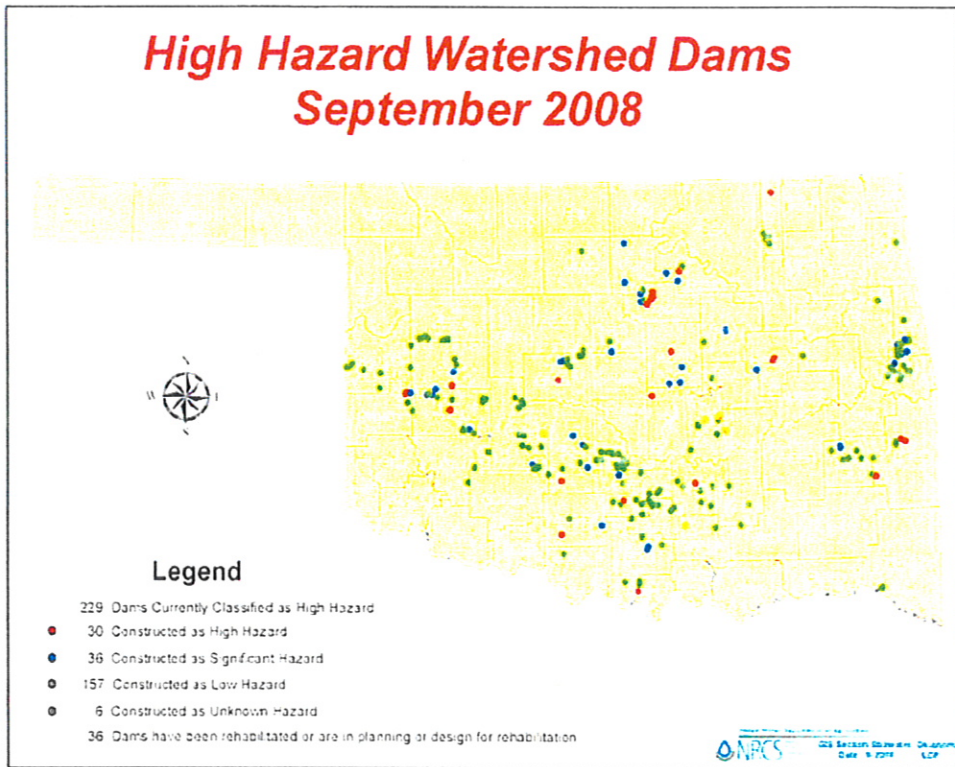
TOTAL: \$6,120,857

<b>FY-2009 Base General Revenue Fund Appropriation:</b>	<b>\$9,187,084</b>
FY-2009 Water REAP Fund Appropriation:	\$2,627,701
Conservation Bond Program:	\$25,000,000
Conservation Bond Program Repayment:	<u>\$1,105,878</u>
TOTAL:	\$37,920,663

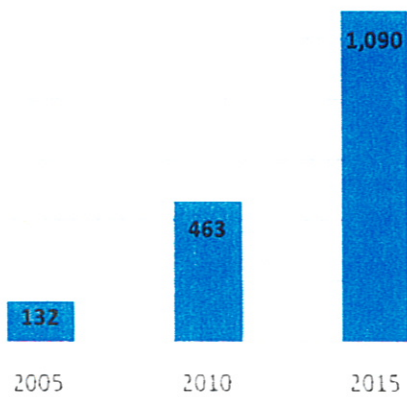
\* *The Conservation Commission is scheduled to move to the third floor of the Agriculture Building once the Agriculture Lab Annex is completed. The move and the remodel will require an unknown amount of funding. Secretary of Agriculture Terry Peach and the Department of Central Services are working out the arrangements for the move.*

\* *Legislation authorizing the Transfer of Gross Production Tax to the Conservation Commission's Infrastructure Revolving Fund will expire on June 30, 2011.*

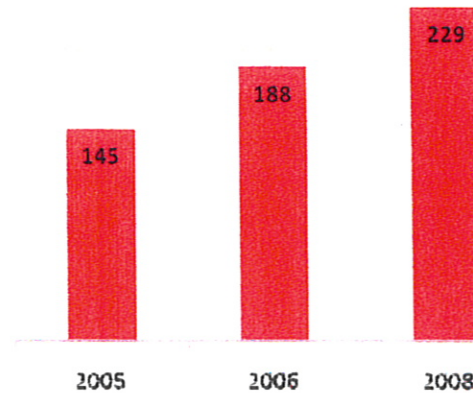
## High Hazard Watershed Dams September 2008



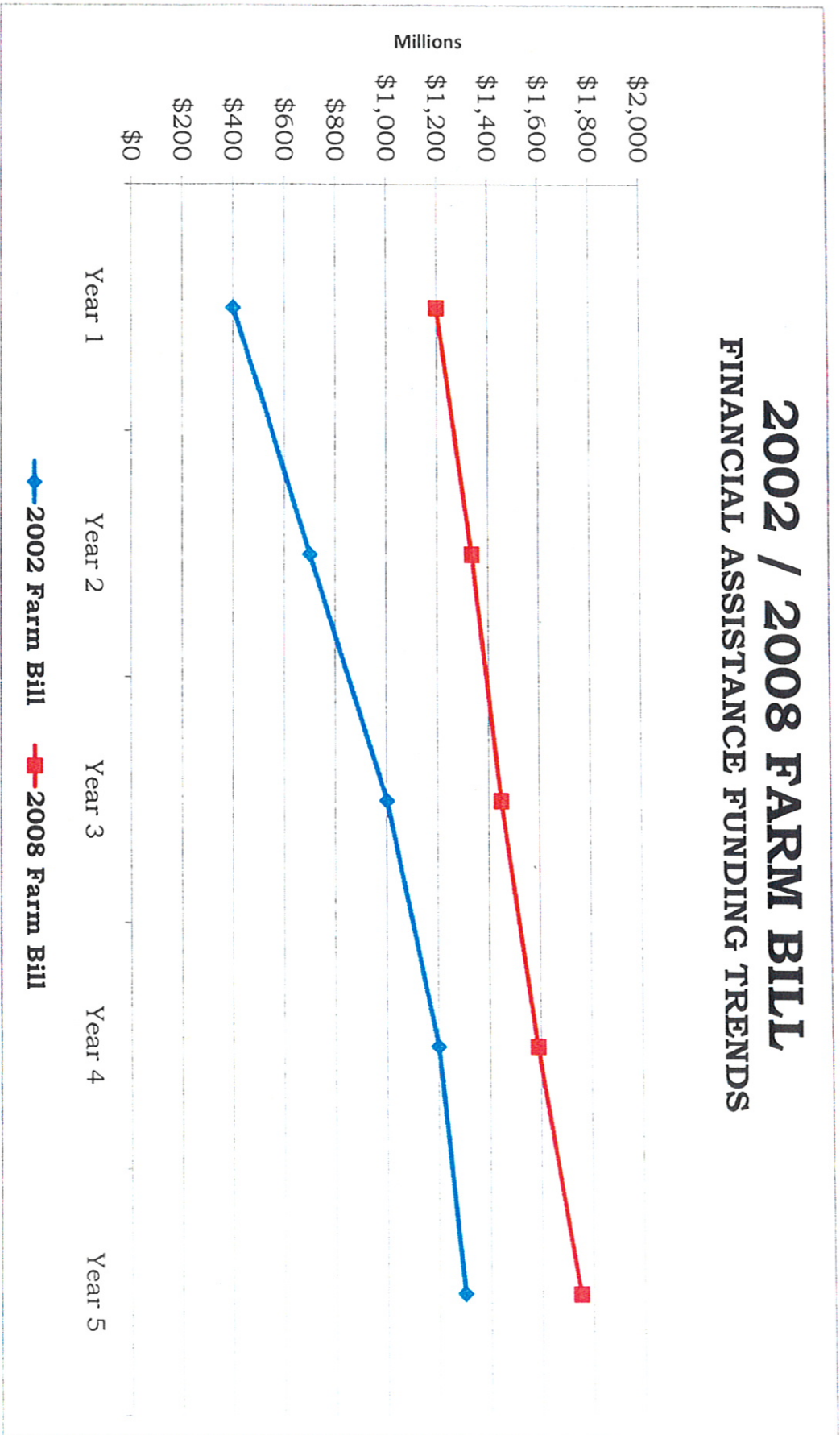
**Number of Dams at or Beyond Design Life**



**Number of High Hazard Dams**

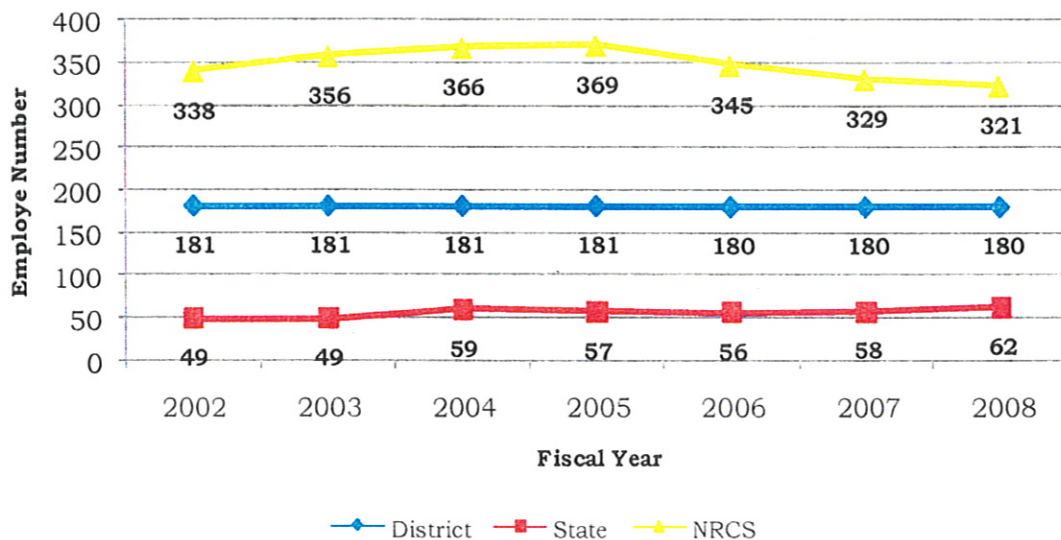


# 2002 / 2008 FARM BILL FINANCIAL ASSISTANCE FUNDING TRENDS



The conservation delivery system in Oklahoma has put more state and federal conservation dollars on the ground in the past five years than at any time in state history. This occurred as the Natural Resources Conservation Service was reducing their number of employees in the state and the number of Conservation District and Conservation Commission employees remained the same (see chart below).

### CONSERVATION PARTNERSHIP EMPLOYEE NUMBERS



**FY2009 GENERAL REVENUE FUNDED  
CONSERVATION DISTRICT AND COMMISSION PERSONNEL**

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Total Personnel Costs			\$9,198,190
	<i>180 District Employees</i>	<i>\$7,869,843 / 86%</i>	
	<i>17 Commission Employees</i>	<i>\$1,328,347 / 14%</i>	

Current General Revenue Funding			<u>\$9,187,084</u>
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<b>Total GR Shortfall</b>	<b><u>(\$ 11,106)</u></b>
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\* *District operating expenses, election expenses, district director meeting expenses, District and Commission Information Technology expenses Commission office, operating and travel expenses funded with sources other than General Revenue.*

\* *Conservation District FTE insurance and retirement costs have increased \$774,740 in five years.*