

MINUTES

CALL TO ORDER

The Oklahoma Conservation Commission met July 2, 2012, at the Agriculture Building Board Room located at 2800 N. Lincoln in Oklahoma City, Oklahoma. The meeting was called to order at 9:30 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 June 28, 2012, 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
Jim Grego, Vice Chair
Karl Jett, Secretary
Mike Rooker, Area 2 Member
George Stunkard, Area 3 Member

Others in attendance were:

Mike Thralls, Executive Director
Ben Pollard, Assistant Director
Steve Coffman, Financial Management and Human Resources Director
Lisa Knauf Owen, District Services Director
Jim Leach, Water Quality Program Cost-Share and Finance Director
Mike Kastl, Abandoned Mine Land Program Director
Mike Sharp, Information Technology Director
Robert Toole, Conservation Programs Director
Mark Harrison, Information Representative
Eldon Merklin, Cost-share Program Coordinator
Ron Hilliard, Natural Resources Conservation Service State Conservationist
Clay Pope, Oklahoma Association of Conservation Districts Executive Director
Blayne Arthur, Oklahoma Department of Agriculture, Food and Forestry Associate
Commissioner
Rod Wanger, Farm Service Agency
Phyllis Stunkard, Guest
Kim Tweed, Executive Secretary

PLEDGE OF ALLEGIANCE

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

MINUTES OF PREVIOUS MEETING

A motion was made by Mr. Stunkard and seconded by Mr. Grego to approve the minutes of the June 4, 2012, Commission meeting as written. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. 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. Grego and seconded by Mr. Rooker to approve district director appointments as listed with terms to expire as indicated. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. 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. A motion was made by Mr. Stunkard and seconded by Mr. Jett to approve the claims and financial statement. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. Nay votes: none. Motion carried.

PRESENTATION OF AGREEMENTS

Ben Pollard, Assistant Director, presented agreements for approval as listed in Exhibit #3. He recommended ratification of agreements listed as (a) through (d) as these were previously approved by Chairman Stunkard according to policy. A motion was made by Mr. Rooker and seconded by Mr. Jett to ratify the agreements as listed. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. Nay votes: none. Motion carried.

Mr. Pollard recommended approval of amended agreements listed as (e) through (I). A motion was made by Mr. Grego and seconded by Mr. Stunkard to approve the amended agreements as listed. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. Nay votes: none. Motion carried.

Mr. Pollard recommended approval of new agreements listed as (j) through (o). A motion was made by Mr. Jett and seconded by Mr. Rooker to approve new agreements as listed. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. Nay votes: none. Motion carried.

OUT OF STATE TRAVEL REQUESTS

Mr. Thralls presented the travel request for approval as listed in Exhibit #4. He recommended that any members and one staff member attend. Messrs. Jett, Rooker, Stunkard and Grego expressed interest in attending and all will be driving. A motion was made by Mr. Stunkard and seconded by Mr. Jett to approve four members and one staff to attend. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. Nay votes: none. Motion carried.

OFFICIAL RESULTS OF DISTRICT DIRECTOR ELECTIONS

Mr. Pollard reported on the official results of the Conservation District Director Elections held on June 5, 2012 as listed as Exhibit #5. No action is required.

JOINT PLANS OF OPERATION

Lisa Knauf Owen, District Services Director, presented FY2013 Joint Plans of Operation for approval as listed in Exhibit #6. A motion was made by Mr. Stunkard and seconded by Mr. Jett to approve the plans as listed. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. Nay votes: none. Motion carried.

CONSERVATION COMMISSION - FY2013

Executive Director Salary: Mr. Pollard stated that the Commission sets the salary for the Executive Director at the beginning of the new fiscal year and the current salary is \$72,398.00. He recommended keeping the same salary for FY2013. A motion was made by Mr. Stunkard and seconded by Mr. Grego to set the salary as recommended. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. Nay votes: none. Motion carried.

District Director Meeting Expense: Mr. Pollard stated that the Commission sets the district director meeting expense rate at the beginning of the new fiscal year and the current rate is \$25 per meeting for up to 12 meetings. He recommended keeping the current rate for FY2013. A motion was made by Mr. Grego and seconded by Mr. Rooker to set the district director meeting expense as recommended. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. Nay votes: none. Motion carried.

Allocations to Districts: Mr. Pollard presented allocations to districts for FY2013 as listed in Exhibit #7. He summarized the object codes and the allocations as shown on page 18 of the exhibit. Mr. Pollard stated that employees working 2,076 hours are full-time positions with benefits. He then discussed the total benefits package for employees that includes health insurance, retirement and worker's compensation. Health insurance cost varies greatly between employees depending on marital status and if insuring children.

Mr. Coffman stated that the health insurance benefit is a large expense to the agency. He stated that the legislature froze the benefits allowance employees will receive for FY2013 which means if health insurance rates rise it will cost employees not the agency. Mr. Coffman also stated that the allocation reflects a \$3,000 operating expense allowance for districts.

Mr. Pollard stated that the Commission receives general revenue (GR) in 12 monthly allotments. He then provided a handout showing the FY2013 funding sources for agency and conservation district operations (See Attachment A). He stated that the Commission receives approximately \$10 million in GR of which \$2.2 million is used for bond repayment. Funding districts and the agency leaves a GR shortfall of \$2,588,070. The handout shows the other sources of non-GR funding used to cover the GR shortfall.

After discussion, a motion was made by Mr. Stunkard and seconded by Mr. Jett to approve the FY2013 allocations as listed. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. Nay votes: none. Motion carried.

Budget Work Program: Mr. Coffman stated that the Budget Work Program (BWP) is a blue print of how the Commission will spend its money during FY2013. He then presented the proposed FY2013 BWP for approval as listed in Exhibit #8. Mr. Coffman stated there are six activities in the program including Administration, Watershed Operation and Maintenance, Field Services, Abandoned Mine Land Program, Water Quality/Wetlands and ISD Data Processing. Mr. Coffman then outlined departments under each activity. He stated that the budget is similar to the FY2012 budget but contains an additional \$500,000 of GR designated for water quality monitoring. Mr. Coffman can begin processing activity after approval by the Commission and the Office of State Finance.

After discussion, a motion was made by Mr. Jett and seconded by Mr. Rooker to approve the FY2013 Budget Work Program as listed. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. Nay votes: none. Motion carried.

Policies Recommended to be Continued: Mr. Thralls expressed appreciation to Mr. Pollard and division directors for their work with the FY2013 budget. Because the budget is basically the same as FY2012 he is recommending that the Commission continue the policies for FY2013 as listed in Exhibit #9.

Lisa Knauf Owen, District Services Director, explained that the Commission is required to pay for retirement and insurance by a certain date each month which is the basis for Policy (3). She also stated that in order to justify salaries allocated by the Commission to districts, a performance evaluation on all staff is required which is the basis for Policy (4).

After discussion, a motion was made by Mr. Stunkard and seconded by Mr. Grego to approve the policies as listed in Exhibit #9. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. Nay votes: none. Motion carried.

Communication with districts regarding allocations: Mr. Thralls stated that an allocation letter will be sent to all districts and he would like feedback on the tone of the letter. He stated that in light of watershed rehabilitation earnings going away and continued GR shortfall, the Commission has hit the brick wall that has been discussed over the years. The NRCS meetings on the Field Office of the Future show challenges that the federal agency is facing. Mr. Thralls would like to give the districts an accurate picture of where we are and the challenges that will face us in another year.

Mr. Thralls stated that without a significant increased appropriation from the legislature there could be forced reductions of personnel. Discussions centered on watershed rehab, operation and maintenance, Farm Bill delivery and the varying workload in Service Centers and silent presence offices and the difficulties in maintaining full-time benefitted positions in those districts. Mr. Pollard stated that direction is needed on how much priority should be placed on conservation program delivery as it varies widely from district to district. Should those districts staffing be reduced first or do we take a different direction? Mr. Pollard reported on districts losing full-time positions where there is a large workload of federal programs under the current policy.

Mr. Grego questioned if a retirement incentive could be offered. Mr. Thralls stated that the state did offer a retirement incentive but the Commission did not offer it to employees and districts were not eligible. This will be explored. Members discussed placing districts on county boundaries. Clay Pope, Oklahoma Association of Conservation Districts Executive Director, stated that OACD does not support mandatory consolidation but does support voluntary consolidation.

Mr. Lowrance stated that the Commission does need to support the Farm Bill workload and the district personnel needs to fit the workload; if districts don't have the workload they won't have the personnel. He stated that with no new money the only way to save the needed amount of money is to eliminate positions.

Staff also reported that they are working with several districts that have been willing to reduce their allocation by sharing employees.

After discussing the possibility of getting new money for the next fiscal year, Mr. Thralls provided a handout on Commission and district personnel reductions in FY2012 (see Attachment B). Clay Pope, OACD Executive Director, stated that it's easier to get legislative program funding than funding for personnel. He suggests the Commission needs to tie the delivery system to programs with a percentage going to administration. He stated that water quality, farm bill delivery and the flood control program are all valuable programs with which it is reasonable to tie the administrative costs necessary to deliver the program.

Mr. Lowrance stated that even though additional funds may come to the Commission it still needs to examine personnel and workload prior to next year's allocation.

Members agreed that a letter to districts needs to be direct. Mr. Lowrance followed by stating that it's the Commission's job to hold boards accountable for the funding coming from the state.

PUBLIC COMMENTS

Rod Wanger, Farm Service Agency, appeared before the Commission to provide an update of FSA programs. He stated that the FSA administrative budget has been cut 36% and reduced by 37 employees. They now have 60 offices in the state and are looking at shared management throughout the state and some offices are providing limited service being open 2 days per week.

Mr. Wanger reported on crop insurance reporting deadlines due May 15 and August 1. He stated that milk prices dropping has triggered milk payments. The Direct and Counter-cyclic Program payments were made June 1 to farmers with adjusted gross incomes less than \$500,000.

Mr. Wanger reported the SURE program paid out \$7 million in 2010. The Conservation Reserve Program enrolled 172,000 acres recently. He reported on continuous signups available for wildlife habitat, pollinators, wetland practices and highly erodible land practices.

NEW BUSINESS

Mr. Thralls stated that the Natural Resources Conservation Service asked to amend agreement No. 68-7335-9-24 after the meeting agenda had been posted. The amendment extends the date of the agreement to June 30, 2013 and adds \$141,000 to the rehabilitation contract for Sugar Creek L-44. A motion was made by Mr. Stunkard and seconded by Mr. Rooker to approve the amended agreement. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. Nay votes: none. Motion carried.

OKLAHOMA CONSERVATION COMMISSION MEMBERS

Mr. Jett attended a meeting on the lesser prairie chicken draft plan and stated that 15 core areas were selected in northwest Oklahoma. Beaver County has 7 of those areas.

Mr. Grego expressed regret for missing the retirement reception for former Haskell County Conservation District director Bill Wilson. Mr. Pollard stated that the Commission is hoping to recognize Mr. Wilson at the August Commission meeting.

Mr. Lowrance thanked Mr. Stunkard for a great job in chairing the Commission during FY2012.

OKLAHOMA CONSERVATION COMMISSION STAFF

Administration - Executive Director: Mr. Thralls thanked Mr. Stunkard for his work as Chairman. He expressed appreciation for the support he received during his illness.

District Services Division: Lisa Knauf Owen, Director, stated a report was in the packet and she yielded for questions.

Water Quality Program: Jim Leach, Cost-Share and Finance Director, reported that additional stimulus fund work is underway in the Illinois River and Eucha Spavinaw watersheds. He also stated that the 2007/2008 319 grant with the EPA expires this month.

Abandoned Mine Land Reclamation Program: Mike Kastl, Director, stated that the annual oversight audit from the Office of Surface Mining will begin this month.

Mr. Kastl stated that the Northeastern Oklahoma State University-Broken Arrow campus project went to the OSM for review. It will be over \$1 million and once and Authority to Proceed is received it will be ready to let for contract.

Financial Management and Human Resources Division: Mr. Coffman expressed appreciation for approval of the allocation and the BWP.

Office of Geographic Information and Technical Services: Mike Sharp, Director, stated that a report was in the packet and he yielded for questions. He also reported that the division name has been changed to the Office of Geographic Information and Technical Services.

Conservation Programs Division: Robert Toole, Director, stated a report was in the packet and he yielded for questions.

Administration - Assistant Director: Mr. Pollard expressed appreciation to Mr. Coffman and division directors for preparing the FY2013 budget. He reported that the Commission is partnering with the OETA with several education events across the state prior to the release of Ken Burns' Dust Bowl production scheduled for November.

Mr. Pollard stated that Bill and Carolyn Wilson will be invited to the August Commission meeting followed by a luncheon to honor Mr. Wilson's service to the conservation partnership.

OKLAHOMA ASSOCIATION OF CONSERVATION DISTRICTS

Clay Pope, Executive Director, expressed his pleasure with the U.S. Senate's version of the Conservation Title in the new Farm Bill. Congressman Lucas is moving for a House mark up of the bill on July 11. Mr. Pope stated the importance of educating elected officials on what conservation does and why, especially when he hears a member of Oklahoma's delegation state that the Environmental Quality Incentive Program and Conservation Stewardship Program are not a priority of the government.

Mr. Pope stated that OACD is moving forward with it's micro-grants and a panel outside the organization are reviewing the grant applications. He reported on OETA's partnership with the Commission, OACD and the NRCS on Ken Burns' dust bowl production stating it will be premiered on November 18 and 19. An event is being planned for November 13 in Stillwater with Congressman Lucas, NRCS Chief Dave White and U.S. Senator Stabenow for a short premiere and panel discussion.

The Conservation Leadership Program will be meeting in the Illinois River watershed in July. He reported on meeting with Don Bartolina who heads the National Land and Range Judging Contest to make it bigger and better. Mr. Pope stated a tour with the Oklahoma Farm Bureau board is scheduled for July 18.

USDA-NATURAL RESOURCES CONSERVATION SERVICE

Ron Hilliard, State Conservationist, provided a written report and called attention to the article on Page 1. He then stated that the State Technical Committee will be meeting on July 31.

Mr. Hilliard stated that the student interns were placed in Okemah, Ardmore and Oklahoma City under the Retired Education Youth Ag Program. He also reported on a Regional Tribal Advisory Council consisting of 9 members was recently established to assist Native Americans.

DEPARTMENT OF AGRICULTURE, FOOD AND FORESTRY

Blayne Arthur, Associate Commissioner, stated that as of July 1 the Department has authorization over the pet breeders in the state but received zero dollars to administer the program. The board passed emergency rules at the June meeting.

Ms. Arthur also stated that the Department received legislative approval to hold a minimum of 8 board meetings per year instead of 12. She stated that three counties have a burn ban: Beaver County; Adair County (30 days); and LeFlore County (7 days).

Ms. Arthur stated that she would be on maternity leave for the August meeting but Kirby Smith would be attending.

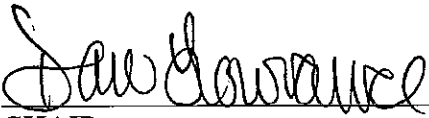
NEXT MEETING

The next regular meeting of the Oklahoma Conservation Commission is scheduled for Monday, August 6, 2012, in the Agriculture Building Board Room, 2800 N. Lincoln Boulevard, Oklahoma City, Oklahoma beginning at 9:30 a.m. Mr. Pollard stated that members will be attending the NACD South Central Meeting at that time and suggested moving the meeting to Monday, August 13 holding it in the Ag Lab Conference Room. A motion was made by Mr. Jett and seconded by Mr. Stunkard to move the meeting as recommended. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. Nay votes: none. Motion carried.

ADJOURNMENT

There being no further business a motion was made by Mr. Stunkard and seconded by Mr. Rooker to adjourn. Those voting aye were: Jett, Rooker, Stunkard, Lowrance and Grego. Nay votes: none. Motion carried. The meeting adjourned at 12:01 p.m.

Approved by the Oklahoma Conservation Commission on August 13, 2012.


CHAIR

**AGENCY AND CONSERVATION DISTRICT OPERATIONS
FY-2013 FUNDING SOURCES**

	<u>FY-2013</u>
Conservation Districts -	\$7,917,416
Agency Operations -	<u>\$2,012,912</u>
TOTAL -	\$9,930,328
General Revenue	\$7,342,258
Shortfall -	\$2,588,070
NRCS Contract Management Earnings -	\$1,152,360
Infrastructure Revolving Fund -	\$788,310
NRCS Contributions Agreement -	\$302,400
Indirect Cost from WQ and AML Payrolls -	\$325,000
NRCS Copier Agreement -	<u>\$20,000</u>
TOTAL NON GENERAL REVENUE -	\$2,588,070

**COMMISSION AND CONSERVATION DISTRICT PERSONNEL REDUCTIONS
FY2012**

Commission Reductions

Positions Eliminated: 5

AML Division (2)*

Water Quality Division (2)

IT Division (1) transferred to the Office of State Finance

*Note: The AML Division has outsourced engineering services to the NRCS

Conservation District Reductions

Positions Eliminated: 1 (Woods)

Positions converted from benefitted positions to seasonal-hourly with no benefits: 5
(Greer, Bryan, Sequoyah, Little River, and LeFlore)

CHANGES IN PERSONNEL NUMBERS FY 2010 THRU FY 2012

Commission Positions Eliminated: 10

Conservation District Positions Eliminated: 9

Conservation District Positions Converted: 19

In the three year period from the beginning of FY 2010 to the end of FY 2012 a total of 28 benefitted conservation district positions have been eliminated or converted and 10 Commission FTEs have been eliminated.

At the beginning of FY 2013 the Commission has a total of 48 full-time benefitted employees and 8 part-time benefitted employees that count against our authorized FTE limit of 62. At the beginning of FY 2013 there are 147 benefitted conservation district employees. At the beginning of FY 2010 there were 173 benefitted conservation district employees.