CONSERVATION COMMISSION

MEETING PACKET

SEPTEMBER 2014

Washington State Conservation Commission
Best Western Lakeway Inn & Conference Center
714 Lakeway Drive
Bellingham, WA 98229

PRELIMINARY BUSINESS MEETING AGENDA
THURSDAY, SEPTEMBER 18, 2014

Time	Tab	Item	Lead	Action/Info
8:30 a.m.		**Call to Order** • Additions and/or corrections to the agenda	Chair Peters	
8:35 a.m. *30 min*		**Introductions and tour discussion** • Introduction of Shana Joy, New Puget Sound Regional Manager	All	
		******Public Comment will be allowed prior to each action item******		
9:05 a.m. *5 min*	**2**	**Consent Agenda**		
		• Approval of the July 17, 2014 Business Meeting Minutes ***(pgs. 5-9)***	Chair Peters	**Action**
		• Approval of the August 19, 2014 Special Commission Meeting Minutes ***(pgs. 10-12)***	Chair Peters	**Action**
9:10 a.m. *25 min*		Presentation by Keith Folkerts, Department of Fish and Wildlife • Priority Habitat Species (PHS)		
9:35 a.m. *25 min*		Presentation by Steve Landino, NOAA • Coordinated Investment Strategy		
10:00 a.m. *15 min*		**BREAK**		
10:15 a.m. *40 min*	**3**	**Policy/Programs**		
		• Policy Updates	Ron Shultz	**Info**
		• OFP Indicator Report ***(pgs. 14-16)***	Ron Shultz/Josh Giuntoli	**Info**
20 min		Presentation by Chris Mertz, State Director from National Ag Statistics Service		
		******Public Comment will be allowed prior to each action item*****		
11:00 a.m. *60 min*	**4**	**District Operations**		
		• Update on Fire Recovery	Craig Nelson	**Info**
		• Regional Manager Report ***(pgs. 17-23)***	Ray Ledgerwood	**Info**
		• Cultural Resources Responses Proposed Policy	Larry Brewer	**Action**

12:00 p.m. *30 min*	**LUNCH PROVIDED: Please RSVP to the Conservation Commission**		
12:30 p.m. *45 min*	Presentation by Dr. Nichole Embertson, Whatcom CD • Innovative Manure Application Risk Management (ARM) System for Protecting Water Quality		
1:15 p.m. *20 min*	Update on Ag and Water Quality by Commissioner Kelly Susewind, Department of Ecology		
1:35 p.m. *20 min*	Presentation by Perry Beale, Department of Agriculture • Report on Surface Water Monitoring Program for Pesticides in Salmon Bearing Streams 2013 Results		
1:55 p.m. *15 min*	**BREAK**		
	********Public Comment will be allowed prior to each action item********		
2:10 p.m. *60 min*	**5**	**Budget**	
	• Current Budget Update	Debbie Becker	**Info**
	• 2015-2017 Budget Submittal Update ***(pgs. 25-38)***	Debbie Becker	**Info**
3:10 p.m. *30 min*	**6**	**Commission Operations**	
	• Mission Statement Subcommittee Update ***(pg. 40-40)***	Lynn Bahrych	**Action**
	• Staffing update	Mark Clark	**Info**
	• 2015 Proposed Conservation Commission Locations ***(pg. 41-41)***	Ray Ledgerwood	**Action**
3:40 p.m.	**Adjourn**	Chair Peters	

Next Business meeting will be on December 4, 2014.

Location:
The Lodge at Suncadia
3600 Suncadia Trail
Cle Elum, WA 98922

*Please note that the times listed above are estimated and may vary. Every effort will be made, however, to adhere to the proposed timelines.

If you are a person with a disability and need special accommodations, please contact the Conservation Commission at 360.407.6200

TAB 2

Washington State Conservation Commission Regular Business Meeting
DRAFT
Okanogan, Washington
July 17, 2014

The Washington State Conservation Commission (Commission/WSCC) met in regular session on July 17, 2014 in Okanogan, Washington. Vice Chair, Clinton O'Keefe called the meeting to order at 9:05 a.m.

COMMISSIONERS PRESENT
Clinton O'Keefe, Vice Chair, East Region
Lynn Brown, Central Region
Dean Longrie, West Region
Lynn Brown, Central Region
Lynn Bahrych, Member
Jim Kropf, WSU-Puyallup
Perry Beale, Dept. of Agriculture
Kelly Susewind, Department of Ecology (DOE)
Alan Stromberger, President, WA Association of Conservation Districts (WACD)

COMMISSION STAFF PRESENT
Mark Clark, Executive Director
Debbie Becker, Finance Director
Ray Ledgerwood, District Operations Manager
Ron Shultz, Policy Director
Bill Eller, South Central Regional Manager
Lori Gonzalez, Administrative Assistant
Laura Johnson, Communications & Outreach
Larry Brewer, Southeast Regional Manager

PARTNERS REPRESENTED AT THIS MEETING
Bud Hover, Executive Director, Department of Agriculture
Roylene Rides-at-the Door, State Conservationist, Natural Resources Conservation Service (NRCS)
Tom Eaton, Executive Director, Environmental Protection Agency (EPA) Region 10
Dave Vogel, Executive Director, WACD
Don Larsen, Department of Fish and Wildlife

GUESTS ATTENDED
Craig Nelson, Okanogan Conservation District (CD), Carolyn Kelly, Skagit CD, Michael Rickel, Cascadia CD, Kurt Hosman, Cascadia CD, Jim Detro, Okanogan County Commissioner, Alan McBee, NRCS, Jeffrey Rock, South Douglas CD, and Jon Merz, Foster Creek CD.

Consent Agenda

Mr. Clark shared with the Commission members a booklet that highlights successes of the districts, Laura Johnson, SCC staff developed called: Conservation in Washington: Powered by the People. The booklet can be found on the SCC website found here: http://scc.wa.gov/success-stories/.

Vice Chair O'Keefe presented certificates of appreciation to Kurt Hosman of Cascadia Conservation District and Jack Myrick, SCC staff for their efforts in the Wanapum Dam emergency. A thank you was also extended to Jon Culp, SCC Water Resources Manager.

Bud Hover, Executive Director of the Department of Agriculture attended and was introduced. He discussed his time this past year and half as director of agriculture, appointed by the Governor. He talked about organizational health, ag and water quality and the international marketing program. He says they are a regulated agency but also an advocate for the agricultural industry.

The May 15, 2014 commission meeting minutes were approved by motion:

Motion by Commissioner Bahrych to approve the May 15, 2014 meeting minutes. Seconded by Commissioner Longrie. Motion passed.

Conservation District Supervisor Appointments

Two supervisor applications were received for review and vetting by Commissioner Clinton O'Keefe for the east region.

Motion by Commissioner Brown to appoint Randall Hansen to the Ferry Conservation District board. Seconded by Commissioner Kropf. Motion passed.

Motion by Commissioner Brown to appoint Michelle Masuen to the Pend Oreille Conservation District board. Seconded by Commissioner Longrie. Motion passed.

Election and Appointment Procedures

Bill Eller, SCC staff presented the comments received from conservation districts on the two election and appointment policy issues presented in May 2014 for review and revision. For each policy issue, the districts were presented with three options to choose from. After careful review of all comments received, staff provided a recommendation for the members to consider.

Policy Issue #1: Notice Publication Method

Staff recommendation: A hybrid between Option #1 and #3. Districts would be required to publish the first notice in the newspaper and then the District can use any other media to publish the second notice. If the District wants to use their web page to post election information or notices, the first notice they publish in the newspaper must include a clear statement in that notice that future information on elections will be posted ONLY on the district's web site.

Policy Issue #2: Appointment Application Material Format and Deadline

Staff recommendation: Option #3 which would allow for the electronic receipt of election materials throughout the year using a database housed by the Commission. Applicants could fill out applications throughout the year anywhere there is an internet connection. Full-term appointments would have a March 31 deadline, but mid-term appointments could be accepted as they arise.

The Commission could act on appointed seat vacancies as they arise during the year, yet still retain the May Commission meeting as the date to appoint full-term appointees to open seats. Staff time and costs to districts would be reduced and application record tracking would be enhanced and controlled by the Commission.

Motion by Commissioner Longrie to approve the two staff recommendations for election and appointment procedures. Seconded by Commission Brown. Motion passed.

Elections Proviso Report Status

Ron Shultz, SCC Policy Director appointed a workgroup to work on the Elections Proviso Report. Districts were sent the draft report for comment. The report identified several possible options for election of district supervisors along with criteria for evaluating those options. There were a total of 22 comments received covering a wide range of options. 15 out of 22 commented to not change the current system, followed by 8 out of 22 commenting to hold all district elections on the same week/day.

Mr. Shultz provided several options the workgroup developed for review. There was discussion surrounding the options in which the Commission members made the following motion:

Motion by Commissioner Brown to accept staff recommendation to further explore the following options: #1 no change to the current system #2 keep the current system and hold elections during the same week, #6 keep current systems but have the election run by the county auditor, and explore streamlining opportunities in the district elections procedures. Seconded by Commissioner Bahrych. Motion passed.

Mr. Shultz will reconvene the Election Proviso Work Group to review the Commission recommended options and provide more detail, and will continue to work with WACD in outreach and at the area meetings in October.

Northwest Indian Fisheries Commission (NWIFC) Data Assessment Request and Response

Mr. Shultz provided a summary of the status and has worked with the Fisheries commission staff to further clarify the request. Todd Bolster, NWIFC staff identified the clarification needed. They would like data showing how the data works. Carol Smith, SCC staff responded with items on what the Commission can and cannot provide, due to the database used. It does not have that specific information being requested. The data system could be set but would be a lot bigger workload on staff.

Commission members were concerned that the Commission maybe getting detracted from the original request. They discussed the amount of time necessary to respond to the data request. They recommended staff prepare a response to the NWIFC describing whether and how we will respond to the data request, highlighting any delay due to staffing limitations.

Public Comment: Craig Nelson, Okanogan CD commented on the Good Governance, stating that the Commission has done a good job working with districts, but would like to provide some enhancements to the system at a future meeting.

District Good Governance Report

Ray Ledgerwood, SCC District Operations Manager presented the Good Governance report and is pleased to recommend all 45 conservation districts to be placed in Tier 1 status. Mr. Ledgerwood shared a summary of the work being done with the districts that have some opportunity for improvement in the 'yellow' area on the color scale.

Motion by Commissioner Bahrych to approve the staff recommendation for all 45 conservations districts to be in Tier 1 Good Governance status. Seconded by Commissioner Longrie. Motion passed.

Cultural Resources Proposed Policy

Larry Brewer, SCC staff presented on the 5 comments received for the Cultural Resources proposed policy. Minor clarifications were made to the May draft policy documents as a result from those comments. Larry pointed out that four districts felt that Option B was the best option, which had **Only Capital Funded practices follow the DOE Cultural Resource Process.**

Larry is continuing to work with other state agencies to get consistent with policies. He's already had two meetings, and they would like to be a part of developing a policy. Larry added the process will only be the Commission funded projects.

Mark Clark added the districts should be required to use this process for the cultural resource investigations. CREP has encountered these issues already and are using NRCS section 106.

Roylene Rides at the Door, NRCS mentioned to Larry that there are eight Tribal Historic Preservation Offices (THPO) that he could reach out to take a look for guidance and comment.

2015-2017 Budget Update

Debbie Becker, SCC staff, updated the Commission on the budget. The 15-17 budget submittals are due early September. Each cycle, SCC staff asks conservation districts to submit their individual budget request creating a zero-based budget forecast for the 2 year period.

Based upon feedback from conservation districts, WACD resolutions, and SCC directives, staff developed the application materials using an online form submittal system. The links to the applications were sent to districts for a deadline of July 10 at 5:00 p.m. Mrs. Becker was pleased to report that all districts submitted their applications on time.

The forms developed for the districts to fill out were:

Form 1: Implementation Funding: maximum request not to exceed 20% of FY14 funding.
Form 2: Engineering Funding: maximum request not to exceed 20% of FY14 funding.
Form 3: High Priority Unfunded Need: no maximum dollar value, however maximum of 3 topic areas.

There will be a Special Commission meeting in August to discuss further the unfunded, unmet needs of projects.

15-17 15% Reduction Exercise

Debbie Becker explained that on June 20th SCC received a letter as well as other agencies from the Office of Financial Management to do a 15% reduction exercise. Senior management met to discuss different options. SCC sent a memo to districts explaining the exercise and provided them the opportunity to comment and to rank the different scenarios to be submitted back to SCC by August 7th.

The three scenarios presented were:
Scenario 1: 10% of the total dollar reduction amount to the SCC / 17.75% reduction to each CD.

Scenario 2: 16.46% reduction for all

Scenario 3: 30% of the total dollar reduction amount to the SCC / 13.81% reduction to each CD.

Debbie will share those results at the Special Commission meeting in August.

2013 WACD resolutions related to WSCC

No action. Resolution #2013-12 defer to August budget meeting.

Motion by Commissioner Stromberger to accept the staff recommendation for WACD Resolution #2013-17 *(Consolidation and Budget Issue Separation)* Seconded by Commissioner Brown. Motion passed.

Motion by Commissioner Stromberger to accept the staff recommendation for WACD Resolution #2013-18 *(Long Term Conservation Funding).* Seconded by Commissioner Longrie. Motion passed.

Vice Chair O'Keefe adjourned the meeting at 3:05 p.m.

Washington State Conservation Commission Special Meeting

DRAFT

Olympia, Washington
August 19, 2014

The Washington State Conservation Commission (Commission/WSCC) met for a Special Commission meeting via Webinar/teleconference on August 19, 2014 to discuss and approve the 2015-2017 budgets. Vice Chair, Clinton O'Keefe called the meeting to order at 10:30 a.m.

COMMISSIONERS PRESENT
Clinton O'Keefe, Vice chair
Perry Beale, Dept of Agriculture
Dean Longrie, West Region
Jim Kropf, WA State University
Kelly Susewind, Dept. of Ecology
Lynn Brown, Central Region
Lynn Bahrych, Member
Alan Stromberger, WACD President

COMMISSION STAFF PRESENT
Mark Clark, Executive Director
Ron Shultz, Policy Director
Debbie Becker, Finance Director
Ray Ledgerwood, District Operations
Lori Gonzalez, Administrative Assistant
Laura Johnson, Communications
Shana Joy, PS Regional Manager

GUESTS VIA WEBINAR:
John Bolender, Mason CD, Vicki Carter, Spokane CD, Joy Garitone, Kitsap CD, Cindi Harr, Grant County CD, Dean Hellie, Stevens Co. CD, Lyle Stoltman, Grant County CD, Monte Marti, Snohomish CD, Sandy Welch, Whidbey Island CD, Audrey Ahman, Walla Walla CD, Kim Simpson, Okanogan CD, Denise Smee, Clark CD, Joe Holtrop, Clallam CD, Jennifer Boie, Palouse CD, Denise Smee, Sandy Welch, Carolyn Kelly, Skagit CD, Wendy Pare, Karen Bishop, Whidbey Island, Michael Crowder, Benton CD, Craig Nelson, Okanogan CD, and Lloyd O'Dell, Ferry CD.

15% Reduction Exercise

The Office of Financial Management directed all agencies to identify 15% reductions in their operating budget. For the 15-17 biennium the total reduction for the Commission and districts would be $2,022,300. The Commission developed three scenarios to achieve the 15% reduction and sent them to conservation districts for discussions with their boards. Districts were to respond by August 7 with their preferred option to the Commission in time for them to be tallied and presented. The three scenarios and the associated reductions were:

Scenario 1: 10% of the total dollar reduction amount to the SCC / 17.75% reduction to each CD.
Scenario 2: 16.46% reduction for all
Scenario 3: 30% of the total dollar reduction amount to the SCC / 13.81% reduction to each CD.

After discussion and review of the district results, the Commission made the following motion:

Motion by Commissioner Bahrych to adopt Option 1. Seconded by Commissioner Longrie. Motion passed.

Motion by Commissioner Longrie to call for the question. Seconded by Commissioner Bahrych. Motion passed.

SCC Staff will prepare two separate decision packages for submittal to OFM. One will describe the cuts being taken and the other to buy it back. SCC will continue to communicate to the Governor's office how this reduction hinders efforts he has identified in his Results Washington.

Operating budget

The Commissioners were presented with several proposed operating budget packages to review, approve and prioritize for final submittal to OFM by September 12. Conservation District staff were involved in drafting the proposals and side boards of the requests.

The Commission members made the following motion after discussing options:

Motion by Commissioner Brown to select the best of them with an emphasis on nutrient management, irrigation management, and soil erosion at $2 million. Seconded by Commissioner Bahrych. Motion passed.

Motion by Commissioner Brown to approve the order in priority presented, 15% buy back #2 followed by the combination of 3, 4, 5 followed by another combination of 10, 13, 15. Seconded by Commissioner Longrie. Motion passed.

The prioritization per the motion above is described below:

#1 15% Reduction
#2 15% Buyback
#3 (2) Section 714 Agency Efficiency Buyback

The three line items listed below for package #4 will be combined at the request of the Commission to be submitted as one decision package request totaling $2,252,456.

#4 (3) Implementation Funds for conservation districts
(4) Form 2- Engineering basic $
(5) District Technical Training Certification Program

Followed by another combination of the three line items to be combined into one decision package request not to exceed $2 million.

#5 (10) Irrigation Water Management
(13) Nutrient Management; and
(15) Soil Erosion

Capital Budget

SCC Staff reviewed the current level of funding for CREP, Shellfish, and Water Quality Projects. Discussion occurred regarding the projected amounts as well as the Form 3 proposals that may fit in a capital submittal.

After discussion of the packages the Commissioners decided to approve packages in the following package order with the following motion:

Motion by Commissioner Brown to approve as initially presented. Seconded by Commissioner Longrie.

Motion by Commissioner Brown to amend and move 3 & 4 to 1 & 2, old 1 & 2 become 3 &4 and 5-12 stay the same. Seconded by Commissioner Longrie. Motion passed.

Package order:

#1 Re-appropriation Non Shellfish/Water Quality
#2 Resource Impacted Project Improvements, including water quality
#3 Re-appropriation Shellfish
#4 New Shellfish Impacted Areas
#5 CREP State Match
#6 CREP Contract Funding
#7 CREP PIP Loan
#8 VSP
#9 Disaster Recovery, Response, Training
#10 Forest Health, Fire Prevention, Defensible Space
#11 Stormwater – Green Stormwater Infrastructure (GSi)
#12 RCPP Match

The capital budget is a zero based budget process with new proposals submitted each biennium. Also, because the legislature didn't pass a supplemental capital budget last session there's additional unused capacity. The Commission discussed the size of the request, the grouping of requests and priority of the proposals. The shellfish and water quality proposals were increased to $8 million each above the $4.5 million each received this biennium. Healthy forest and disaster recovery, VSP and stormwater were added and will be included as new identified focus areas for funding. Linking the work to the Governor's priorities will be important and Commission staff will be using the input from districts as we prepare these proposals.

Vice Chair, Clinton O'Keefe adjourned the meeting at 2:01 p.m.

TAB 3

Office of Farmland Preservation

Washington State
Conservation Commission
PO Box 47721
Olympia, WA 98504-7721

MEMO

TO: Conservation Commission Members
Mark Clark, Executive Director, WSCC

FROM: Josh Giuntoli, WSCC Staff

SUBJECT: 2014 Farmland Preservation Indicators Report

DATE: September 8, 2014

Action Requested: Since the report is being finalized, staff is seeking preliminary approval of the outline of indicators for completion of the final report.

Background

In 2009, the Farmland Preservation Task Force adopted a series of indicators to track progress and provide information to stakeholders on key areas as they related to issues around farmland preservation. The indicators help identify trends, conditions, and opportunities over time.

The farmland indicators provide an overall perspective of the current state of various elements impacting farmland preservation. They help us answer the question, "Are activities helping to improve the condition and availability of farmland in Washington?" They target specific concerns that affect the viability and future of agriculture in Washington.

The data used for these indicators come from a wide variety of sources. Since the last publication in 2009, several of these sources have been updated. We also include other relevant sources of data that help provide a more complete picture of the factors contributing to farmland preservation. Each of these data sources and indicators will be maintained and updated into the future.

The Farmland Indicators are categorized into 5 areas consistent with the 2008 WSDA Future of Farming Report. A brief explanation of each follows:

Making Agriculture a Priority – The act of growing food needs farmland and farmers. These indicators track areas that reflect land availability and the farmers that utilize the land. These two reflect the necessity to make agriculture a priority proportionate to its importance in the state economy.

Regulatory Barriers – In some cases regulations can impact the viability of certain agricultural business by increasing operational costs. The aggregate of the regulatory environment can be an incentive to sell the farm.

Resource Availability and Access – Similar to Making Agriculture a Priority, availability and access to land is important to farmland preservation efforts. These indicators track state level tax incentive programs that work to preserve farms, actual acreage in production, and public ownership of land. The Task Force heard from all across the state the tension between purchasing land for habitat purposes whether limiting or restricting agricultural uses.

Strengthen Competiveness – Prices received and production costs track changes over time of the overall costs of farming in Washington. While many variables exist, an overall sense of costs versus returns can be an indicator of whether farming is strong, thus leading to farmers continuing to farm or new farmers coming on with a chance to be profitable.

Emerging Opportunities – The prosperity of farming will in part depend on a trained workforce and access to land. These indicators track protected landscapes through working land easements, primary schools that have agricultural curriculums and secondary degrees in agriculture. Farms by organization track family farms and non-family farms and can be an indicator of the next generation of farmer and types of farm operations.

Farmland Indicators

The following are the indicators for the 2014 Farmland Indicators Report. Some data sources have been requested and are still awaiting updating. The results will be shared via the OFP web page, the Farmland Preservation Newsletter, and through a press release. The timeline for completion is the end of September.

Making Agriculture a Priority

- Competition of Land Use and Conversion
    - Acres of land in farms and number of farms. (Source: USDA Ag Census)
    - Farm real estate value, average value per acre. (Source: USDA Ag Census)
- Characteristics of Principle Farm Owners
    - Average age of principle farm owner. (Source: USDA Ag Census)
    - Principle operators and minority principle operators (Source: USDA Ag Census)

Regulatory Barriers

- Number of Food Processors
    - Food manufacturing establishments. (Source: U.S. Census Bureau)
    - Animal Slaughter & Processing Facilities (Source: U.S. Census Bureau)
- Farm and Farm Related Employment
    - Total labor expenses for WA farms. (Source: USDA Ag Census)
    - Average number of WA seasonal ag workers. (Source: Workforce Explorer)
- Water Use
    - All freshwater use by source. (Source: USGS – ***Not updated***)
    - Irrigated Acres: 2007 & 2012 (Source: USDA Ag Census)

Resource Availability and Access

- Open Space Enrollment
    - Open Space Farm and Ag Current Use Valuations (Source: WA Dept of Revenue)
    - Acres classified open space farm and agriculture (Source: WA Dept of Revenue)
- Farm Size Diversity
    - Number of farms by size (2007 & 2012). (Source: USDA Ag Census)
    - Number of Farms under 100 acres. (Source: USDA Ag Census)

- Acreage in Production
    - WSDA Cropland Acres (Source: WSDA Cropland Mapping)
    - USDA Land in Farms (Source: USDA Ag Census)
- Public Ownership of Land
    - 2014 Public Lands Inventory (Source: WA Public Lands Inventory)
    - 2014 Public Lands Inventory - State Breakdown (Source: WA Public Lands Inventory)

Strengthen Competitiveness

- Prime Agricultural Soils
    - Prime farmland by land cover and use. (Source: 2010 Natural Resource Inventory – ***Not updated***)
    - Total Prime Farmland (Source: 2010 Natural Resource Inventory – ***Not updated***)
- Number of Food Distributors
    - Grocery & Farm Product Wholesalers (Source: US Census Bureau)
    - Refrigerated Warehousing & Farm Product Storage Establishments (Source: US Census Bureau)
- Net Cash Farm Income of Operators
    - WA Farm Expenses and Income (Source: USDA ERS Farm Income)
    - WA Farm Production Expenses (Source: USDA ERS Farm Income)
- Net Value Added and Net Farm Income
    - WA State net value added. (Source: USDA Farm Income and Wealth Statistics)
    - WA State net farm income. (Source: USDA Farm Income and Wealth Statistics)
- Number of Farmers Markets
    - Number of WA farmers markets. (Source: WA State Farmers Market Assoc and WSDA)
    - % of Farmers Markets in WA that accept government food assistance programs (Source: CDC)
- Energy Use on Farms
    - WA Farm Energy Expenses (Source: USDA ERS Farm Income)
    - WA fertilizer and pesticide expenses. (Source: USDA ERS Farm Income)
- Consumer Price Index for Food
    - Consumer Price Index for food in Seattle area & U.S. City Average. (Source: Bureau of Labor Statistics)
    - Weekly cost of food at home for family of 4 with children between the ages of 6 & 11 (Source: Bureau of Labor Statistics)

Emerging Opportunities

- Working Lands with Easements
    - Aggregate of working lands under a form of working land easement. (Source: OFP Survey)
- Agricultural Related Degrees
    - Higher education institution degrees: Agricultural business and production. (Source: WA Student Achievement Council)
    - WA State School Districts with Agricultural Education (Source: OSPI)
- Farms by Organization
    - Number of Farms by Organization (Source: Census of Ag)
    - Average size of farm by economic class. (Source: Census of Ag)

TAB 4

September 2014 Commission Meeting

District Operations Staff Report (August 2014 to September 2014)

Conservation District Assistance

Activities included:

- Budget development assistance & 15% reduction scenarios (all)
- Special Assessments & Rates & Charges (King, North Yakima, Jefferson County)
- Groundwater Management Area Citizen Complaint Investigation (South Yakima)
- Deposition & Dairy Nutrient Management Plans (South Yakima)
- TSP Task Orders (San Juan, Walla Walla, Foster Creek, Whatcom)
- Land Owner Contact (Grays Harbor, Pacific)
- New Employee Orientation (Clark)
- New Supervisor Orientation (King, Pierce, Clallam, Whatcom, Mason, Thurston)
- Rates & Charges or Assessments (North Yakima, South Yakima, King, Grant County)
- Cost Share Resolutions (Clark, Pierce, Jefferson Co., Thurston, Mason)
- Bid Documents (South Yakima)
- Oath of Office for Supervisors (All districts)
- Election Citizen Concern (San Juan)
- Field Office Leases with NRCS (Districts with lease needs
- Storm Water Program Development (Puget Sound Conservation District Caucus)
- Assistance at district board meetings with; Jefferson County, Pierce, Okanogan, Whitman, Pacific, Thurston, Whidbey Island, Whatcom, Skagit, Mason, Cowlitz, Clark, Snohomish, King,

Looking Ahead

- Orientation & Open Government Training of new Supervisors
- Complete District FY15-17 Budget Development
- District Capacity Building Assistance
- District Operations Issues Resolution Assistance
- Project Development
- Sharing of Examples, Templates, Information
- Good Governance Follow-up

Central Washington Firestorm:

Bill Eller helped coordinate initial efforts with Okanogan CD and Cascadia CD to hold an informational meeting for agencies and entities related to the Carlton Complex fire / Central Washington Firestorm. The Central Washington Firestorm (as the State Emergency Management Department calls it) is the largest fire in Washington State history – nearly 300,000 acres burned, 300 homes and other buildings consumed. The Commission and Okanogan and Cascadia CD's are worked to coordinate a stakeholder meeting for local, state and federal agencies and entities to coordinate programs that might be used in recovery efforts. Commission staff have worked closely with Okanogan CD (OCD) to coordinate local, state, and federal entities for the Carlton Complex fire / Central Washington Firestorms. OCD has taken the lead on engaging the federal government's Emergency Watershed Program (EWP) in recovery efforts. Necessary paperwork to begin a EWP cost-share program was prepared.

Commission staff attended a technical work group meeting of federal, state and local agencies and NGO's. Thanks to the President giving the Carlton Complex a disaster declaration, FEMA is now authorized to assist. FEMA, at the State's request, will provide funds to hire a coordinator for the State and Local Burned Area Emergency Response (BAER) team. The State and Local BAER team will complement the USFS BAER team (which focuses only on federal lands). Both should begin a 10-14 day assessment of the burned area this weekend.

Early estimates from the National Weather Service are that 12-15 rain gauges are needed in Okanogan County to give early warning in the burned areas of flash flooding during the coming months. We've been working with other agencies to find funding to secure those gauges. It appears that 4 can be re-purposed from Chelan County and that Ecology will provide 4 more, so we are close to fulfilling the estimated need. We continue to work on procuring more and refining the need.

The Commission is still working with NRCS to take the lead on the Emergency Watershed Program (EWP) for recovery efforts. NRCS believes that the Commission would be better suited to sponsor the EWP for all Central Washington State fires not already sponsored (Okanogan and Kittitas). Both Okanogan and Kittitas County CD's are on board with the Commission as EWP sponsor. We are still working on the contract with NRCS for the EWP and preparing the necessary paperwork to begin a EWP cost-share program.

Bill Eller continues to work with Okanogan CD on its efforts related to the fire and flooding events including: reviewing a draft Inter-local Agreement for them to get assistance from other CDs; coordinated a teleconference; worked on finding a contracting / bidding expert; working on the Emergency Watershed Project application. Bill assisted the district with interpreting FEMA rules and regulations regarding public assistance, and worked with Karla Heinitz to coordinate their emergency declaration so they can use emergency bidding procedures. . Bill will attend a roundup of results from both the Federal and State and Local BAER teams Saturday, 9.13.14 in Twisp. Worked with Jon Culp to put in an initial request for reimbursement to FEMA to recover Commission costs related to its support of OCD. Contact Bill Eller

Cultural Resources:
Larry Brewer continues work on the development of a cultural resources policy for the Commission use with Conservation District projects to comply with the Governor's Executive Order 0505. The Commission members reviewed the options presented and asked that the district supervisors and employees be invited again to provide input on the options. Only four districts responded to the first request to review. Larry Brewer also is participating in the State Agencies Cultural Resource coordination meetings. The policy and district recommendations will be brought forward to the Commission at the September meeting. Contact Larry Brewer

District Operations Website:
Stu Trefry worked with Alicia Johnson on a redesigned website for District Operations resources for conservation districts content within the WSCC website into two primary categories: Governance and Operations. Contact Stu Trefry

Supervisor Email Accounts:
Bill Eller has developed a District Operations Brief on the subject of "Supervisors Conducting District Business Using Personal E-mail Accounts" was released in August. It is permissible for public officials to use personal e-mail accounts for official government business, but not recommended. While Washington law does not prohibit the use of personal e-mail accounts and personal computers for official business, there are a number of issues to consider before you decide to conduct District business using personal e-mail accounts including the Public Records Act & Record Retention Compliance. Contact Bill Eller

15-17 Budget Development:
Bill Eller drafted the FY 15-17 operating and capital budget development package on emergency management and researched information on economic impact of conservation work. Ray Ledgerwood drafted the Operating Budget Decision Packet for $2 million funding request on Nutrient Management, Irrigation Water Management, Soil Health and Erosion Control. Shana Joy worked with conservation district staff to prepare a draft budget narrative document for the Focused Area Planning component. Stu Trefry wrote decision packages on monitoring and noxious weeds. Contacts Debbie Becker or Ray Ledgerwood

Projects Development:
Butch Ogden continues work with the shellfish growers and producers in the development of more than 10 potential shellfish projects in the Pacific and Grays Harbor Conservation Districts. He met with Governors staff and key leaders to further define the projects and impacts. Butch also worked with the Chehalis Flood Authority and Conservation District leaders on critter pad project proposals and implementation activities. Contact Butch Ogden

Trout Lake CRM:
At the Underwood CD's request, Stu Trefry and Ray Ledgerwood facilitated the first meeting of dairy operators in the Trout Lake area to initially discuss local water quality and begin a process for addressing it. Meeting participants also identified other priorities to address and potential projects they could work with Underwood CD, NRCS, Ecology, and other state and federal agencies to implement. Contact Ray Ledgerwood or Stu Trefry

Coordinated Resource Management Executive Meeting & Tour:
Mark your calendars for the CRM Executive Meeting and Tour schedule for October 1 & 2 at Long Beach. Butch Ogden is working on logistics for an outstanding event that will focus on collaborative approaches for addressing shellfish production, water quality, ocean acidification, watershed impacts. Contact Butch Ogden or Ray Ledgerwood

Several CRM Groups have formed recently and are addressing local resource concerns through collaboration. The CRM Task Group has met and reviewed the activities of the; Black Wolf CRM in NE WA addressing wolf interaction with cattle, water quality, forest management, the two Chehalis River Basin CRMs addressing flood issues, the North Lynden Watershed Improvement District & Lummi Tribe addressing water quality, drainage issues, the Skagit County Livestock Producers addressing water quality. Contact: Ray Ledgerwood

Conservation Planning:
Larry Brewer has been following up with each of the twelve Conservation District employees that have completed the first two requirements for conservation planning training (on-line modules and classroom instruction). To complete the course each student must develop a conservation plan with a land owner that meets NRCS Standards and Specifications. Successful completion of the course would qualify the student as a Level 3 (of 5 levels) conservation planner. We will have over eighty Level 3 conservation planners across the state with only three districts without a Level 3 planner if all students complete their requirements. We appreciate our NRCS partners for providing this opportunity for our District employees to attend this course. Contact Larry Brewer

Area Awards:
Commission staff completed work on nominations for area awards to be presented this fall at the si area meetings for recognition of outstanding work by a Conservation District, Supervisor, Manager, and Employee. Regional Managers are developing the award write-ups. Contact Ray Ledgerwood

Elections & Appointments Webinar:
Bill Eller facilitated a highly successful elections and appointments webinar last week then continued to answer some questions and post the appropriate forms, materials and documents posted to our web page. Contact Bill Eller

RCO Farmland Preservation Advisory Committee:
Stu Trefry represented the Commission on the RCO Farmland Preservation Advisory Committee that heard presentations, reviewed, and scored 25 applications including 5 from WSCC with Eastern Klickitat and North Yakima. Contact: Stu Trefry

Farm Bill Communication:
Laura Johnson, Lois Ruskell, and Ray Ledgerwood are working with NRCS Public Affairs Specialists regarding methods to inform conservation district supervisors and employees of Farm Bill Conservation opportunities, signup logistics, and assistance. Plans are also being developed for utilizing district outreach to producers using their existing outreach systems and social media. Webinars will be held this winter. Contact Ray Ledgerwood or Laura Johnson

Puget Sound Conservation District Caucus:
A subset of the Puget Sound Conservation District Caucus members and Dave Vogel, along with Shana Joy and Ron Shultz, discussed a report recently published by the Russell Family Foundation (Polluted Runoff/Green Infrastructure Field Scan and Opportunity Assessment) that analyzed and outlined barriers and opportunities for addressing polluted stormwater in the Puget Sound region. The conservation districts have an opportunity to utilize existing staff capacity to assist municipalities and counties to address stormwater issues and with incorporation of low-impact development requirements into local code. They are pulling together to prepare and market a core set of services, of which stormwater/LID is one, to a larger audience of partners and funders than ever before. Dave Vogel sees potential to expand the effort statewide and is assisting not only with the Puget Sound regional effort, but to include stormwater/LID as a general session topic at the upcoming WACD annual meeting, and encouraging conservation district presentations at a statewide stormwater conference in early November. Commission staff are participating in this ongoing conversation and working collaboratively with conservation districts and others agencies as appropriate to ensure budget requests are crafted with these related efforts in mind. The Puget Sound Conservation District Caucus is organizing for a strategic planning session this fall. Contact Shana Joy

WSU Extension – WSCC MOU:
Shana Joy worked with WSU Extension staff and SCC leadership to complete the signing of an MOU outlining general coordination and collaboration efforts surrounding a focused watershed outreach pilot project that the Puget Sound Partnership has provided funding for. Two conservation districts, Pierce and Kitsap, are doing work on this project and there is the potential for a third district to join the effort later on in the project's timeline. The goal is to determine the most successful outreach methodologies to reach 100% of residents in specific geographic areas and determine barriers to behavior change to reduce bacterial contamination in waters with shellfish beds. WSU Extension is updating their Shore Stewards Program as part of this coordinated effort. The results of this pilot project could provide valuable insight into other efforts in the region with outreach/landowner contact components such as PIC programs. There is statewide applicability potential. Contact Shana Joy

Shellfish Project Development:
Butch Ogden is continuing work with shellfish projects through contact with both shellfish and upper watershed land managers in Grays Harbor and Pacific CDS. Shana Joy worked with Pierce and Whatcom CDs on shellfish funding requests and entry in the Conservation Practices Data System. Two shellfish grower associations are currently participating in a CRM-like process that have resulted in 12 funded projects to date. For more information contact Butch Ogden or Shana Joy

Conservation Practices Data System:
Melissa Livingston provided training for all Regional Managers on CPDS data system use for conservation project data entry and use of the system by conservation districts for prioritizing projects. RMs will be working with districts on their project priority criteria and reviewing CPDS project entries. Contact Melissa Livingston

Technical Service Provider Task Orders:
Aquila Bernard, Debbie Becker and Ray Ledgerwood have been working with Peter Bautista (NRCS) on 13 task orders with 11 conservation districts. The total amount of funding for these task orders is $468,000 on a 50%-50% Contribution Agreement between NRCS and WSCC. The NRCS funds are from their current fiscal year ending the end of September. It is hoped that a second round of task orders may be available after October 1st. Contact Ray Ledgerwood or Aquila Bernard

District Vehicle Identification:
Stu Trefry and Lori Gonzales completed work on requirements for conservation district vehicle identification. District vehicles must have identification as an entity of state government according to State Auditor and State Motor Pool. For more information contact Stu Trefry or Lori Gonzales or see RCW 46.08.065. Contact Stu Trefry or Lori Gonzales

Agricultural Organizations:
Ray Ledgerwood facilitated an August strategic thinking session for agricultural organization leader on strategic issues to address in the Ecology Ag Water Quality Group. The leaders identified six strategic issues to address, a desired outcome for each, and recommendations for each issue and messaging to Ecology Contact: Ray Ledgerwood

Supervisor Training:
Regional managers are completing orientation for all new district supervisors. A concept paper has been drafted for the next generation of Supervisor training and leadership development. A partnership team of WACD, WSCC, and Washington Conservation Society (WCS) members have been working on the paper that was presented at the WACD Board Meeting and WSCC July Meeting. Stu Trefry is coordinating training to meet the requirement for Open Government training Legislation recently passed. Stu Trefry is working on building a program of information and training for districts on human resource policies and processes. Contact: Stu Trefry

District Technical Employees Group:
The District Technical Employees Group are in the early phases of implementing the scope of work and related budget for the implementation of the District Technical Capacity Program authorized with $80,000 for FY15. More details will be provided in future Friday Updates. Contact Ray Ledgerwood or Larry Brewer

Partnering:
Stu Trefry continues work with a small group made up of NASCA, NACD, and NCDEA representatives working to include commonly used conservation practices on developed and developing lands to the NRCS Field Office Technical Guide (FOTG). Contact: Stu Trefry

WACD Annual Meeting
Bill Eller is coordinating efforts to put on a session at WACD's Annual meeting and at the 2015 WADE training for a session on districts and disaster response and recovery. Contact: Bill Eller or Dave Vogel

New Puget Sound Regional Manager:
Shana Joy continues to get acquainted with Supervisors, Managers and employees throughout the Puget Sound area with Stu Trefry and Ron Shultz leading the early orientation, information, and training activities. Contact Shana Joy or Ron Shultz

Open Government:

Stu Trefry, with other WSCC staff, worked on resources for Open Government training for district officials, and a method for recording the supervisors that had received the training to meet the most recent legislation for all newly elected and appointed officials to receive this training. We are planning to exceed the requirement by suggesting all District Supervisors receive this training. Contact Stu Trefry

Field Office Leases:
Regional Managers are contacting districts that have been negotiating, but not yet completed lease arrangements with NRCS. Less than 10 districts will be leasing space within an NRCS, GSA, or FSA field office. Contact Ray Ledgerwood

NASCA Field Staff Idea Sharing & Training:
Regional Managers attended a national training session for state agency field staff the week of September 8 in Montana. The purpose of the session was to learn and share techniques, materials, concepts for improving conservation service delivery with conservation districts. Topics covered were Conservation District Board Member and Staff training; Conservation Service Delivery in the Future; District Operations & Funding; Conservation Program Delivery. Contact Ray Ledgerwood

Regional Manager Areas of Expertise:
Laura Johnson worked with Regional Managers to update information on RM service areas and subject specialties. Click here for Commission Regional Managers service area map & subject specialties. Contact Ray Ledgerwood

TAB 5

Washington State
Conservation Commission

September 18, 2014

TO: Conservation Commission Members

FROM: Debbie Becker, Finance Director

SUBJECT: 15-17 Budget Submittals

Background summary:

The 15-17 Operating and Capital budgets have been submitted. This submittal culminates several months of work and partnership with WACD, WADE, conservation districts staff and supervisors. The timeline certainly would not have been met without their assistance and incredible work of SCC staff. The 14 official notebooks were delivered on Friday, September 12th. A copy of the letter provided to David Schumacher, Director of OFM, is included.

Operating Budget
The Operating budget is 106 pages, includes many OFM mandated components and the five funding packages approved by the Commission members during their special meeting in August. Unfortunately, one of the packages is the required 15% general fund reduction. This is a significant $2 million impact to the budget and will have detrimental effects on the work of conservation districts across the landscape. A partner package is included requesting the restoration of the 15% to the agency budget.

The remaining operating packages are valued at $4.3m, a 32% increase. However, this 32% increase simply restores the agency budget to levels in 2008. These packages directly impact conservation districts and services provided to landowners and partner agencies. Without this funding, many of the Governor's goals outlined in Results Washington will not be achieved.

Each package is briefly described in the following pages and the full content can be found on the Commission's website SCC 15-17 Budget Submittal.

Capital Budget
The 15-17 Capital budget delivered to OFM contained 258 pages and also includes several OFM mandated elements. This budget contains ten packages approved and prioritized by Commission members in August. The total new appropriation request in the Capital budget is $39.3m and $20.0m in

federal spending authority. The reappropriation requests total $3.7m, and are estimates of the account balances on July 1, 2015. These amounts combined for the ten packages, results in a total request of $63.0m for conservation district work with private landowners across the state.

These decision packages are essential to be able to continue the construction projects that conservation districts have been successful in achieving. These projects as described in the submittal impact natural resources resulting in cleaner water, healthy air, improved soil health, and many other environmental benefits. The economic impact of these packages in local communities through construction employment, material purchases, and indirect employment is significant.

Each of the packages is briefly described in the following pages and the full content can be found on the Commission's website SCC 15-17 Budget Submittal.

Action requested:

Staff Contact:

Mark Clark	Ron Shultz	Debbie Becker
mclark@scc.wa.gov	rshultz@scc.wa.gov	dbecker@scc.wa.gov
360.407.6200	360.407.7507	360.407.6211

STATE OF WASHINGTON
CONSERVATION COMMISSION
PO Box 47721 • Olympia, Washington 98504-7721 • (360) 407-6200 • FAX (360) 407-6215

September 12, 2014

David Schumacher, Director
Office of Financial Management
PO Box 43113
Olympia, WA 98504

Dear Mr. Schumacher:

It is my pleasure to present to you the 2015-17 operating and capital budget proposals for the Washington State Conservation Commission (WSCC). These proposals reflect several months of interactive work with our 45 conservation districts across the state, as well as discussions with key stakeholders. The funding requests reflect the scope of needed activities and ready-to-go projects that will protect our state's natural resources while maintaining a strong and viable agricultural economy.

Why fund WSCC and conservation district activities? As Governor Inslee stated in a recent Results Washington session:

> "I think all of us should be very interested in the success of these two goals [onsite and BMP incentive program implementation] because regulatory approaches are more difficult for a lot of different reasons, and if we can be successful here these would be a very good use of resources,"

We acknowledge the difficult budget decisions that must be made this year. We understand the intense competition for limited resources. But we would contend that investing in the incentive-based approach is far cheaper than regulatory approaches. These programs are investments in the long-term health of our natural resources – our shellfish and salmon, our forests and water – and can achieve measurable improvements. A common phrase is the environmental policy arena is "prevention is cheaper than clean up". By cutting funding for the WSCC and conservation district prevention activities we would be shifting restoration costs into the future.

In addition, increased regulatory efforts can trigger more conflict with landowners who push back against regulations and enforcement. These tensions can prevent the state from making progress on our resource goals, which in turn leads to more lawsuits by tribes and environmental organizations for failure to meet our obligations. Lawsuits that bring court orders to the state to take action which further limit our flexibility to address issues. This vicious cycle of "cut and sue" ends up being more expensive while our state resources decline further.

Since 2008, the WSCC budget has been reduced 34%. **If the 15% cut is implemented, the WSCC reduction total is 43%.** This is a disproportionate reduction when compared to other natural resource agencies.

As required, we are submitting a decision package describing a 15% operating budget cut to the Conservation Commission and conservation districts. These cuts would be severely detrimental to our ability to deliver services to landowners across the state. More specifically, these cuts will:

- Prevent the Governor from being successful on his Results Washington objectives for cool, clean water; salmon recovery; shellfish protection; and preservation of working farms.
- Increase risk of lawsuits by Tribes for failure to make progress on necessary salmon recovery actions.
- Increase risk of forest fire hazards because fewer forest fuel reduction projects will be completed.
- Decrease engagement with landowners to protect natural resources resulting in continued water quality impacts, inefficient water use, and Puget Sound impacts from contaminated stormwater runoff.

Restoring the proposed cuts will allow the WSCC and conservation districts to:

- Assist hundreds of landowners in addressing the streambank erosion and flooding as described by Ms. Speranza on page 5;
- Improve hundreds of acres of riparian zones and educating an entire community on protecting their watershed, portrayed by landowner Joel Selling, on page 64.
- Protect water quality and riparian zones for livestock owners illustrated on page 103.

Restoring this funding will also benefit our state and federal partner agencies like Ecology, RCO, WDFW, DNR, along with EPA, NOAA, and BPA because conservation districts are responsible for implementing a number of these agency's projects on private lands. Culvert and fish passage work as an example and shown on page 88.

In terms of the elements of each package, 87% of all funding received by WSCC is distributed to the conservation districts to assist private landowners with natural resource concerns. This funding results in construction projects, benefitting local communities and the state with increased jobs and tax revenue. Leading to a healthier environment, improved economic climate, and an enhanced quality of life for all Washington's citizens.

We recognize the extremely difficult budget decisions that the Governor will have to make before the end of this year. The WSCC budget reflects an efficient and effective method for delivering technical assistance services to landowners and for the installation of on-the-ground practices. We believe these proposals offer a high value approach to address these identified needs.

Thank you again for your consideration of these proposals. I would be happy to answer any questions you may have.

Sincerely,

Mark Clark
Executive Director

State Conservation Commission
15-17 Operating Budget Submittal

September 2014

The operating budget starts with a maintenance level carried forward from the previous biennium. Even though it is considered 'maintenance,' it is still subject to reductions. The package submittals are identified as PL (performance level). "Other Funds" includes $2.3m of federal spending authority and $1m of MTCA (toxics) funding. For more information on each package and to view the complete submittal, please visit our website at www.scc.wa.gov. There you will find all the required elements for a budget submittal as well as supporting documentation. *Please note: The reference to Puget Sound Action Agenda Implementation, is a required element.*

Dollars in Thousands	Annual Average FTEs	General Fund State	Other Funds	Total Funds
Total Maintenance Level	**17.1**	**13,482**	**3,301**	**16,783**
PL A0 OFM 15% Reduction		(2,022)		(2,022)
PL N0 Restore 15% Reduction		2,022		2,022
PL N1 Restore Section 714 Efficiency		74		74
PL N2 Rebuilding Incentive Service Del Sys	1.0	2,252		2,252
PL N3 Resource Specific Improvements		2,000		2,000
Subtotal - Performance Level Changes	**1.0**	**4,326**		**4,326**
2015-17 Total Proposed Budget	**18.1**	**17,808**	**3,301**	**21,109**
Percent Change from Current Biennium	5.8%	32.1%		25.8%

Individual Package Submittals

PL A0 OFM 15% Reduction (2,022,000)

"I think all of us should be very interested in the success of these two goals [onsite and BMP implementation] because regulatory approaches are more difficult for a lot of different reasons, and if we can be successful here these would be a very good use of resources," Governor Inslee's comments during a Results Washington Sustainable Energy and A Clean Environment session on
4/17/14.

The work of the State Conservation Commission (SCC) and conservation districts is critical to our success in improving our state's natural resources and meeting the Governor's Results Washington goals. As Governor Inslee stated, regulatory approaches alone won't get us to our goal. Incentive based approaches where landowners are engaged in the solution will be needed.

And this approach is best achieved through the SCC and conservation districts. The impact to the Commission and the conservation districts of a 15% reduction will be devastating to their ability to provide services to landowners and will set us back on our goals for improving natural resources while enhancing agricultural production.

Related to Puget Sound Action Agenda Implementation

The Conservation Commission has seen the agency operating budget reduced 34% since the 2007-2009 biennium. The proposed 15% reduction would bring the overall budget cuts to 43% - a disproportionate amount when compared to other natural resource agencies.

"Among the drivers for investing in ecosystem services are potential cost savings for basic community services, lower costs for regulatory compliance, and mitigation of economic losses associated with natural hazards. Investment in ecosystem services can substitute for traditional built infrastructure, such as levees or water filtration systems, often providing the same services at lower cost. Similarly, investments in tree planting, wetland and floodplain restoration, or other natural systems and components can help regulated entities cost-effectively comply with environmental performance requirements."

Studies have shown the costs of addressing natural resource issues increase over time if not addressed early. Non regulatory, incentive based approaches such as those implemented by conservation districts are much cheaper in the near term when compared to the long term costs of cleanup. Cuts to the incentive based system will only increase state costs to achieve resource protection in the long term.

PL N0 Restore 15% Reduction 2,022,000

"Buying back" the proposed 15% funding reduction to the Washington State Conservation Commission (WSCC) prevents what otherwise will be a severe and dangerous cut to services that benefit our environment and economy.

The Washington State Conservation Commission (SCC) has seen its general fund appropriations reduced 34.5% since July 1, 2007 without any replacement funding. The proposed 15% reduction takes this cumulative reduction to more than 43%. These cuts are disproportionate to the agency when compared with other natural resource agencies. Meanwhile, the population has seen a cumulative increase of 7.7%, and property parcel counts increased 2.4%. So, as our customer base has increased, our capacity to meet a growing, unmet need has decreased.

Related to Puget Sound Action Agenda Implementation

Activities implemented by the Conservation Commission and conservation districts protect and restore our state's natural resources. These activities are accomplished through engaging landowners so they voluntarily implement practices reducing the need for expensive and confrontational regulatory approaches. SCC activities address many of the Governor's Results Washington objectives including best management practice implementation, preservation of working farm and forest lands, and maintaining open shellfish growing areas. Conservation district

activities also meet our state's obligations under Tribal Treaty Rights for the protection and restoration of salmon habitat.

In the next 2 years, the cumulative population increase is expected to be more than 10%. Increased parcel counts and the stresses placed on natural resources from this growing "human footprint" are real. Without funding, Washington State risks losing the vital network of conservation district personnel who engage our private land stewards, and our precious natural resources will continue to degrade. By coordinating efforts with partners at the tribal-, federal-, state-, and local-level, the conservation district model has proven abilities to reverse resource degradation; but, only if the 15% is restored as well as addressing the additional cumulative loss of 34.5%.

The 15% reduction hurts the state economically, too. Without funding for conservation districts to engage landowners on natural resource improvements, the state loses substantial economic and environmental benefits that go well beyond the total value of the cut. This $2 million reduction to the SCC's budget translates to an overall economic loss for the state of $7.8 million and a loss of 44 jobs across multiple NAICS labor categories.

PL N1 Restore Section 714 Efficiency 74,000

The State Conservation Commission (SCC) allocates more than 70% of its general fund appropriations to the 45 conservation districts for purposes of implementing conservation practices addressing natural resource concerns. Since 2007, the SCC has seen a cumulative reduction of 34% in general fund appropriations without a replacement funding source. Our operations oversee the 45 conservation districts to ensure compliance with state law, process and audit grant payments, and participation in state level policy discussions that impact natural resource improvements across the state. Because of the reductions in appropriations, the SCC has been forced to evaluate services and delivery methods which have resulted in a better business model. Many of these efficiencies had little cash impact, but allowed our agency to handle increased workload demands without additional FTEs.

PL N2 Rebuilding Incentive Service Delivery System 2,252,000

The State Conservation Commission (SCC) has suffered a 34% operating budget reduction since the 2007-2009 biennium. These reductions not only impacted the state agency with a 15% reduction in staff, but also impacted conservation districts who receive the bulk of the agency funding and therefore were hit with the bulk of the cuts. Funding requested in this proposal would begin the process of restoring previous biennia budget reductions. This will enable the SCC and conservation districts to re-establish the system for landowner service delivery protecting and restoring our state's natural resources.

Related to Puget Sound Action Agenda Implementation

PL N3 Resource Specific Improvements 2,000,000

"An average of eight farm visits are needed to build relationships, develop a conservation plan, implement the practices in the plan and work with the land manager on their conservation system" Frank Clearfield, USDA Natural Resources Conservation Service, Social Sciences Institute during training sessions on estimating time needed to work with a land owner on conservation system application and management.

Over the past two decades the trend for funding conservation work has been to increase project related activities and reduce the amount of funding for technical services and planning. The result has been a weakened system for engaging with landowners so they become more committed to resource conservation. There is also a backlog of service requests by land owners willing to plan and implement conservation systems. Funding technical services and planning is necessary to develop and implement a comprehensive conservation system that achieves environmental results while recognizing the land owner objectives and willingness to expend their time, money, and energy to install and manage conservation practices.

Related to Puget Sound Action Agenda Implementation

Washington's conservation districts have a proven strong working relationship with land managers. Building on this relationship, this decision package will provide a portion of the funding needed to support conservation district technical staff. The proposal supports critical work in the areas of nutrient management, irrigation water management, soil erosion control and soil health. Success of the Governors Results Washington environmental goals is dependent on funding this technical services and planning decision package to address a shortage of technical positions.

Actions funded in this proposal will protect water quality for human health, fish and shellfish resources by limiting the loss of nutrients (nitrogen and phosphorous) and pathogens to ground, surface water and the air. Activities will also address impacts from climate change and ocean acidification by reducing inputs to these resource concerns and identifying adaptation practices necessary to implement immediately. The package also provides for agricultural water savings through carefully planned and implemented practices across the state can help improve in-stream flows, water quality, conserve energy and maintain a vibrant and viable agricultural sector. Activities under this decision package will improve water quality through irrigation water management and work to enhance water quantity through the design and engineering of water savings including technical services and planning in drought critical basins to help the agricultural community implement water conservation measures and irrigation efficiencies projects. Soil health will be improved in critical areas of the state. Soil health is defined as the continued capacity of soil to function as a vital living ecosystem that sustains plants, animals, and humans. This definition speaks to the importance of managing soils so they are sustainable for future generations.

These necessary activities will be accomplished by assisting farmers, ranchers, dairy producers, poultry operators, small acreage land owners with technical services to develop and implement conservation plans where nutrient management, water irrigation management and/or soil health is the overarching consideration. Millions of dollars of USDA Farm program financial assistance can be tapped to install needed fixes and assistance provided to land managers that are willing to adopt conservation systems.

State Conservation Commission
15-17 Capital Budget Submittal

September 2014

The capital budget requests are briefly described here. For more information on each package and to view the complete submittal, please visit our website at www.scc.wa.gov. There you will find all the required elements for a budget submittal as well as supporting documentation. *Please note: The reference to Puget Sound Action Agenda Implementation, is a required element.*

Project Number: 30000010
Project Title: Natural Resources Investment for the Economy and Environment
Agency Priority: 1

New Appropriation:	8,000,000
Reappropriation:	1,250,000
Reappropriation Federal Authority:	1,000,000

Project Summary
Some projects will be related to Puget Sound recovery. This package will protect and restore natural resources while maintaining a viable agricultural industry by limiting the transportation of sediment, nutrients (nitrogen and phosphorous), and pathogens to our ground, surface water, and air. Activities funded will also improve soil health by enhancing the capacity of soil to function as a vital living ecosystem that sustains plants, animals, and humans. The package also will generate agricultural water savings through carefully planned and implemented practices across the state that improve in-stream flows and water quality, and conserve energy.

Project Number: 30000018
Project Title: Improving shellfish growing areas & related water quality
Agency Priority: 2

New Appropriation: 8,000,000

Project Summary
Related to Puget Sound Action Agenda Implementation. Previously funded under Capital Project #30000010. Ongoing closures of shellfish growing areas in Puget Sound and along the Pacific coast indicate continuing problems in water quality. With concerns over the impacts of ocean acidification on shellfish, all natural resource issues impacting shellfish need to be addressed to support the resiliency of shellfish production. Funding in the 2013-15 biennium started the process of

focused project implementation to improve water quality, address invasive species, and expand shellfish growing areas. This proposal will continue this targeted approach to drive measurable resource improvement.

Project Number: 30000009
Project Title: CREP Riparian Cost Share - State Match
Agency Priority: 3

New Appropriation: 2,600,000
Reappropriation: 800,000

Project Summary
Related to Puget Sound Action Agenda Implementation. In its 15+ years of implementation, the Conservation Reserve Enhancement Program (CREP) has demonstrated measureable natural resource improvement across the state. CREP is also a critical component in our state's strategy to address endangered salmon recovery. The riparian cost share funding sought in this request will provide the state match for federal funding. The state will provide 10% to match the federal 90% contribution. This proposal includes several attachments to provide additional background and implementation results information.

Project Number: 30000012
Project Title: CREP Riparian Contract Funding
Agency Priority: 4

New Appropriation: 2,231,000
Reappropriation: 500,000

Project Summary
Related to Puget Sound Action Agenda Implementation. Funding in this proposal will support CREP contract development and implementation. This program is a critical component of our state's salmon recovery and restoration efforts. Supported by a wide variety of agricultural groups, local entities, and tribes, CREP improves riparian habitat functions and creates the conditions necessary for providing cool, clean water. Previous CREP implementation has demonstrated measureable natural resource improvements. Uploaded attachments include Implementation monitoring results, before and after photos, and reports for 2011, 2012 and 2013.

Project Number: 30000011
Project Title: CREP PIP Loan Program
Agency Priority: 5

New Appropriation: 100,000
Reappropriation: 150,000

Project Summary
Related to Puget Sound Action Agenda Implementation. A PIP (Practice Incentive Payment) loan is a bridge loan to a landowner to cover the upfront contract payment pending funding from the federal agencies for the payment. Sometimes there is a time like for the incentive payment as part of a CREP contract due to a variety of factors at the federal agency. In order to keep the projects moving forward, a PIP loan is provided where future federal funding is expected. The funding request continues funding for this activity.

Project Number: 30000013
Project Title: Voluntary Stewardship Program for protection of critical areas
Agency Priority: 6

New Appropriation: 7,660,000

Project Summary
Related to Puget Sound Action Agenda Implementation. The Voluntary Stewardship Program (VSP) is the result of a negotiated process to address issues involving impacts to critical areas from agricultural activities. VSP is part of the state Growth Management Act (GMA) and provides an alternative path for counties to address these issues. There are 28 counties opted in to the VSP. Funding in this proposal will support the development and implementation of county VSP work plans.

Project Number: 30000016
Project Title: Disaster Recovery, Response, & Training
Agency Priority: 7

New Appropriation: 2,575,000

Project Summary
Conservation districts serve a unique role in their local community after a natural disaster. In the short term, Districts are the only local government entity whose sole purpose after a disaster is to work with landowners to conduct damage assessments on private lands and to identify available recovery resources. Districts also organize initial natural resource recovery efforts among a variety of local, state, and federal government agencies. In the long term, Districts serve to coordinate natural resource conservation restoration efforts on both public and private land. Districts are the only local government entity to work directly with

local landowners on a voluntary, non-regulatory basis to effectuate natural resource recovery conservation work on private lands. Currently, conservation districts do not have staff trained in disaster recovery principals or programs, which reduces their effectiveness and response time during disasters. Related to Puget Sound Partnership Action Agenda

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Project Number: 30000015
Project Title: Forest, Rangeland Health and Fire Resiliency Program
Agency Priority: 8

New Appropriation: 3,080,000

Project Summary

Related to Puget Sound Action Agenda Implementation. Dramatic wildfires in 2014 have highlighted the need to proactively address forest health and resilience. Scientific models for climate change impacts in the Pacific Northwest indicate weather patterns will change to a hotter and dryer climate exacerbating the fire risk. This budget request supports the continuation and acceleration of activities to assist local communities, homeowners, and landowners with efforts to maximize healthier and more productive landscapes and more fire resilient communities. These efforts will not only save money, they will protect lives, structures, landscapes, and livelihoods. This request supports the Puget Sound Action Agenda Implementation Strategic Priority to Protect and Restore Habitat and the Governor's Results Washington Goal 3: Sustainable Energy and a Clean Environment.

Project Number: 30000014
Project Title: Stormwater - Green Stormwater Infrastructure (GSI)
Agency Priority: 9

New Appropriation: 1,082,000

Project Summary

Related to Puget Sound Action Agenda Implementation. Stormwater runoff is a significant natural resource concern because it is the primary conveyance system for pollutants impacting Puget Sound waters. The use of "Green Stormwater Infrastructure" (GSI) strategies to address runoff is now understood as one of the most efficient, effective and multi-benefit approaches to dealing with stormwater. Funding requested will support implementation of stormwater and low impact development (LID) related projects. Projects in 7 priority areas will be completed and funding will be invested in the implementation of state-wide priority projects developed in partnership with cities, counties, local integrating organizations (LIOs), and others. Also with the requested funding a regional coordination system will be developed leveraging effective and efficient use of resources and the sharing of

best practices. This investment will maximize effective use of engineering and design resources; will establish effective outreach and public engagement strategies; will enable behavior change; and will ultimately realize on-the-ground projects that protect Puget Sound water resources.

Project Number: 30000017
Project Title: Match for Federal RCPP Program
Agency Priority: 10

New Appropriation: 4,000,000
New Federal Spending Authority: 20,000,000

Project Summary

Related to Puget Sound Action Agenda Implementation. The Regional Conservation Partnership Program (RCPP) is a newly created program within the U.S. Department of Agriculture (USDA). The RCPP encourages coordination between the Natural Resource Conservation Service (NRCS) and local partners to deliver conservation assistance to agricultural producers and landowners. RCPP combines four existing NRCS programs for improved coordinated delivery of these programs at the local level. Total funding for RCPP is $400 million with an award cap of $20 million. A total of six pre-proposals from Washington State have been invited to submit full proposals for the RCPP. A description of each is included in the attachment. The full proposals are due to USDA by October 2, 2014. Proposals accepted for implementation will need to show availability of matching funds, including state dollars. This budget request would provide state matching funds for implemented projects that are a part of an approved RCPP activity.

Total New Appropriation:	**39,328,000**
Total Reappropriation:	**2,700,000**
Total Federal Reappropriation:	**1,000,000**
Total New Federal Reappropriation:	**20,000,000**

TAB 6

Washington State
Conservation Commission

September 18, 2014

TO: Conservation Commission Members

FROM: Mission Statement Subcommittee
(Lynn Bahrych, Dean Longrie, Alan Stromberger, Laura Johnson, and Ray Ledgerwood)

SUBJECT: Draft revision to State Conservation Commission mission statement

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Summary:

The Mission Statement Subcommittee requests that fellow Conservation Commission members review and approve a revision to the State Conservation Commission mission statement.

As requested at the July Commission meeting, the subcommittee held a phone meeting on September 5 with a goal to discuss and, if necessary, revise the current SCC mission. Members reviewed tips and examples of effective mission statements prior to the meeting (e.g. The Nature Conservancy: to conserve the lands and waters on which all life depends; Skype: to be the fabric of real-time communication on the web).

The subcommittee decided to revise the mission statement with intent to make it more concise, inspiring, and unique to the SCC. The current SCC mission statement is below, followed by the draft revised mission statement for your review:

> *Current SCC mission:* to lead the wise stewardship of soil, water, and related natural resources for and with the citizens of the state.
>
> *Revised SCC mission (pending approval):* to assist conservation districts and partners in engaging landowners in voluntary stewardship of Washington's natural resources.

Action requested: Seeking Commission Member approval of revised SCC mission statement.

Staff Contact: Laura Johnson, Communications and Outreach, ljohnson@scc.wa.gov.

Washington State
Conservation Commission

September 18, 2014

TO: Conservation Commission Members

FROM: Ray Ledgerwood, District Operations Manager

SUBJECT: Commission Meeting Locations for 2015

Summary: The Regional Managers, in consultation with other Commission staff and the below mentioned conservation districts, have reviewed the Conservation Commission meeting location history and from that discussion have selected five locations for 2015 for Commission consideration.

Action Requested: Staff is requesting that Commissioners approve the 2015 Conservation Commission meeting locations. This will allow adequate time for staff to work on logistics for each of those meetings.

Staff Contact: Ray Ledgerwood, District Operations Manager

Description: The Regional Managers based upon the historical data as well as current issues facing districts, have selected the following locations for the 2015 Conservation Commission meetings.

2015 Proposed Schedule

Date	Hosting District	Location	Regional Manager
January 14 & 15	Clallam	Port Angeles	Shana Joy
March 18 & 19	Thurston	Lacey/Olympia	Shana Joy
May 19, 20 & 21	Kittitas	Ellensburg	Bill Eller
July 15 & 16	Clark	Vancouver	Stu Trefry
September 16 & 17	South Yakima	Zillah	Bill Eller
December 3	WACD Annual Meeting	TBD	