

**Colorado State Technical Committee Meeting
Sheraton Hotel – Denver West – Lakewood, CO
March 3, 2010**

Meeting Held By: Allen Green, State Conservationist, NRCS
Tim Carney, Assistant State Conservationist for Programs, NRCS

Meeting Presenters: Tim Carney, NRCS Billy Merritt, FSA
Allen Green, NRCS Terri Sage, NRCS
Gary Finstad, NRCS Phyllis Woodford, CDPHE
Jodi Hastings, NRCS

Minutes by: Debra Molinaro, Charisse Romero, Marta Villano

Welcome: Allen Green, State Conservationist with the Natural Resources Conservation Service (NRCS), welcomed everyone, reviewed the agenda, and discussed the advisory role of the State Technical Committee. Allen discussed the Secretary, Chief and Agency's emphasis on partnership, landscape scale and special initiative projects.

Meeting attendees introduced themselves and the organization they represented, if applicable.

NRCS Sage-Grouse Initiative Proposal Discussion: Terri Sage, NRCS State Biologist, discussed the agency's approach to support populations such as sage-grouse. Support systems include habitat improvements, recognizing threats, and developing strategies to improve survival of the sage-grouse in Colorado. Two key aspects of this strategy are organizing and coordinating Colorado NRCS efforts and education and awareness training. Terri Sage presented a threats diagram to detail the various existing natural and man-made dangers to the sage-grouse. This chart will become a tool to help planners identify threats and develop approaches to remedy threats with farmers and ranchers. Funding will come from NRCS state and national programs. Also, the West Technical Center in Seattle, WA will announce training available for sage-grouse conservation May 25-27, 2010.

Sage Grouse Initiative Partnerships: Plans of the Sage Grouse Initiative include working at the state level to develop plans and delegate specific duties in cooperation with NRCS and local farmers and ranchers. The Colorado Division of Wildlife (CDOW), Farm Service Agency (FSA), and NRCS are in partnership to develop specific plans for the Sage Grouse Initiative. The Colorado Wildlife Subcommittee would like to discuss coordination efforts of the State with NRCS. The U.S. Fish and Wildlife Service offered to become a partner in this initiative as well.

Wetland Reserve Enhancement Program: Gary Finstad, NRCS Easements Coordinator, explained the status of the Wetlands Reserve Enhancement Program (WREP), which is a part of the overall Wetlands Reserve Program. WREP provides an opportunity for NRCS to partner with units of government and non-governmental organizations in order to leverage technical and financial resources in promoting the purposes of the WRP. Funding for WREP initiatives comes from the WRP and must be announced by the Chief of NRCS in the Federal Register. Eligible partner entities would submit proposals to the State Conservationist, who, then, submits them to the Chief for approval. To date, no announcement has been made, so there is no WREP activity at this time.

As a reminder, in the Wetland Reserve Program (WRP) program, NRCS compensates landowners for easements based on the lowest of three values: (1) the fair market value of the offered acres; (2) a geographic area rate cap; or (3) a landowner offer. This year Colorado is performing individual appraisals to determine the fair market value. Our geographic area rate cap will be: 85% of fair market value of working agricultural lands

for permanent easements and 60% for non-agricultural lands. 30-year easements receive 75% of the compensation offered for a permanent easement. Colorado has established an application cut-off date of April 23 for funding consideration this spring.

Reserved Grazing Rights Option:

The reserved grazing rights pilot is available now in every state and is part of this year's WRP activity. NRCS is waiting for more guidance from the national office regarding implementation, as there will be a new warranty easement deed developed for this enrollment option. This option would only be used where grazing is feasible and a desirable component of WRP easement management. It will be subject to the provisions of a conservation plan. Easement payments would be reduced by the value of the reserved grazing rights. Those will be estimated by a professional appraiser on a site-by-site basis this year.

Conservation Stewardship Program (CSP) Discussion: Tim Carney, Assistant State Conservationist for Programs, led the discussion of the Conservation Stewardship Program (CSP). CSP provides financial and technical assistance to recognize producers for conservation stewardship and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes. NRCS seeks input to streamline and improve the program to ensure compliance with the intent of the 2008 Farm Bill. Program applications are competitively ranked and conservation stewardship performance and cost effectiveness are analyzed.

The CSP is an acreage based program, and Colorado was allocated approximately 535,000 acres for the current signup. As of 03/01/2010, applications have been approved for funding on 332,126 acres of agricultural working lands and 1,337 acres of nonindustrial private forestland. Acreage was distributed to each of the ten major geopolitical watersheds based on their proportion of the state's eligible agricultural working lands (cropland, rangeland, and pastures). One statewide pool was established for non-industrial private forest land. If a geopolitical watershed did not enough eligible applications for the acreage allocation, the surplus was reallocated to pools that needed more around the state.

Environmental Quality Incentives Program (EQIP) and Public Lands Eligibility: Tim Carney (ASTC-Programs) and Jodi Hastings (EQIP Coordinator) summarized the EQIP program, a voluntary conservation program to support working lands, rangeland, forestland, and cropland. The program provides farmers and ranchers with tools to address natural resource concerns while achieving the environmental benefits. EQIP may be used for conservation systems and practices on eligible private land owned or leased land or on publically-owned land under an eligible agricultural producer's control for the life of the EQIP contract. Additionally, the requested conservation practices must address improvements of priority resource concerns.

Public lands EQIP contracts are only available through eligible private agricultural producers and not directly with public land agencies. In Colorado, EQIP contract conservation practice payments on public land are reduced by 25% over the same practice on private lands. Public lands agencies are encouraged to assist eligible EQIP applicants with in-kind and financial assistance contributions.

The upcoming ten major geopolitical watershed-level conservation input forum meetings were announced, and public land agencies were encouraged to participate. The dates and times are available online at the Colorado NRCS website at www.co.nrcs.usda.gov.

Conservation Reserve Program (CRP) Priority Areas and Discussion: Billy Merritt, Farm Service Agency (FSA) Agriculture and Programs Specialist, presented the conservation priority areas (CPA) discussion. Land that is considered a CPA will receive additional national points. Colorado is limited to 451,947 acres for fiscal year 2010, which is 33% of the total state cropland. The National EBI process is used to rank and prioritize offers for enrollment into CRP for general signup offers. General offers to signup will reopen in the summer. Trudy Kareus, FSA State Executive Director, discussed CPA designation in Colorado. The northern region has

3.4 million acres, but an area of concern is the southeast portion of the state, where there currently are no CPAs. FSA proposed to extend the acreage to the southeastern counties, since there remains an additional 3.9 million acres that may be used for expansion. Billy Merritt requested NRCS or FSA staff to visit Las Animas, a southeastern area of concern, to assess the area for CPA designation. The Wildlife Subcommittee requested 30,000 additional enrollment acres and an added area for the Lesser Prairie Chicken State Acres for Wildlife Enhancement (SAFE) project.

EQIP Organic Initiative: Jodi Hastings presented the EQIP Organic Initiative and Air Quality Initiative programs. The organic initiative will help qualified growers install conservation practices such as crop rotation, cover crop, nutrient management, pest management, prescribed grazing, and forage harvest management related organic agriculture resource concerns. This is the second year of the statewide Organic Initiative and the first year to include all types of conservation practices. Producers may receive up to \$20,000 per year or \$80,000 over six years from the organic transition or organic certified funding pools. All funded practices must support be consistent with the requirements of an organic system plan (OSP) or transition to an OSP. Program participants must address an eligible resource concerns. For 2010 air quality and water quantity resource concerns are not eligible under the organic initiative. Applicants with approved conservation plans will receive high priority for project ranking and funding. NRCS can assist in developing those plans. A reminder was given that participants may use EQIP and EQIP Organic simultaneously. Individuals interested in organic transition must self-certify intent to pursue organic certification at the time of application.

Agricultural Air Quality Issues: Phyllis Woodford, Program Manager of the Colorado Department of Public Health and Environment's (CDPHE) Environmental Agricultural Program, spoke about current and potential air quality issues facing agriculture. The most pressing air quality issues that CDPHE is working with air pollution sources and other stakeholders to address include particulate matter, visibility degradation, ozone, and nitrogen depositions in Rocky Mountain National Park (RMNP). For the most part, agriculture is exempt from air quality regulations, but this may change in the future. Two issues to keep close watch of include ozone and nitrogen deposition in RMNP. Ozone, for example will become much more problematic for Colorado if EPA tightens the federal standards. Related to nitrogen depositions (ammonia) issues at RMNP, there is a Nitrogen Deposition Reduction Plan currently in place that sets nitrogen reduction goals over a 25-year period (by 2032). Livestock and crop production activities in northeast Colorado are considered to be significant contributors of ammonia to the park, especially in the spring. The RMNP Agriculture Subcommittee has participated in the discussion around the park since 2006. Partnering with NRCS is critical to the efforts of the RMNP Subcommittee as work on voluntary ammonia BMPs move from the research stage to implementation.

NRCS Air Quality Initiative: Jodi Hastings reiterated NRCS's support of air quality through the implementation of the EQIP program and addressed concerns of the nine counties exceeding ozone standards. Colorado received \$1,280,208 in funding for fiscal year 2010 for ozone, ammonia and other air quality issues. Applications for funding will be accepted until April 16, 2010. In support of air quality, the Combustion System Air Emissions Management Standard is being considered for adoption in Colorado. The state of California has been successful with this program, as stated by Gene Backhaus, NRCS Resource Conservationist. This program would include taking old engines and replacing them with more fuel-efficient engines. Problems exist, however, when retro-fitting these engines because of the integrated transmission and other operating systems that must also be replaced. NRCS Colorado will not offer this practice in 2010 although it is under consideration for future use.

Partner Updates: Joe Duda, Colorado State Forest Service (CSFS), distributed the latest Colorado State Forest Resources Assessment and the Health of Colorado's Forests guides. CSFS is holding six statewide and watershed-level assessments to develop a strategy to address priority issues over the next 4-5 weeks. This will include six focus group meetings, which are looking for input on the best processes to use to distribute the limited resources available. Information regarding the dates and locations for the meetings are available online at the CSFS website or by contacting Joe Duda at (970)222-8690.

NRCS Partnership Programs Opportunities:

- Colorado Division of Wildlife (CDOW) announced the Habitat Partnership Program, which will take a legislative approach to protect wild game, and the Private Lands Wildlife Biologist Program, a joint agreement between NRCS, CDOW, and Rocky Mountain Bird Observatory to provide wildlife technical assistance and support to Farm Bill programs. CDOW is also offering a series of landowner workshops in multiple counties to give information about wildlife-friendly fencing.
- Colorado State Forest Service is seeking assistance with local level nursery support. They currently maintain a nursery in Fort Collins. Contact Greg Sundstrom for additional information.

Closing Comments: Allen Green thanked all meeting participants for their input. Allen noted that the Cooperative Conservation Partnership Initiative (CCPI), Conservation Innovation Grants (CIG), Agricultural Water Enhancement Program (AWEP) programs are expected to be announced very soon. Also, Watershed Conservation Input Forums will be occurring this spring. The meetings will be held in each of the ten major geopolitical watersheds Colorado NRCS utilizes for local resource concern identification and program recommendations. NRCS uses the input from these forums to evaluate existing and future programs options. All are encouraged to attend. The meeting list is posted on the NRCS Colorado web site at <http://www.co.nrcs.usda.gov/news/pas/news-releases/2010/2010WatershedForumMeetingDates.html>

State Technical Committee Meeting Questions and Comments

NRCS Sage-Grouse Initiative Proposal:

1. One comment suggested that the local working groups should be involved because the habitats are different in various parts of the state. A discussion of the recent sage grouse working group efforts involving the CDOW, Wool Growers, Cattle Growers, BLM, USFS, Districts and NRCS ensued.
2. Do sage-grouse threats occur more on public or private lands?
 - a. Terri Sage, NRCS State Biologist, did not have the number available, but the Colorado Division of Wildlife tracks this information.
3. What percent of sage grouse habitat occurs on public versus private lands?
 - a. According to the Colorado Division of Wildlife, the percent varies by season as the birds migrate throughout the year.

Wetland Reserve Enhancement Program and Reserved Grazing Rights Option:

1. Where do the percentages for the easements compensation come from?
 - a. Gary Finstad, NRCS Easements Coordinator – “We have compared our values to those being used in New Mexico and elsewhere. We wanted to offer fair compensation, but also wanted to encourage program participation. Since WRP extinguishes agricultural uses as well as development rights, we felt a higher diminution factor was appropriate. Our values are within the range of estimates supported by past appraisals.”
2. What value are you putting on non cropped wetland areas?
 - a. Gary Finstad – “The geographic area rate cap is 85% for working ag lands; 60% for other lands. Compensation for the 30-Year easement option is 75% of the permanent easement rate.”

3. What type of wetland monitoring does the Agency emphasize?
 - a. We have national policy requiring site visits each year during restoration, and at least once per year thereafter. NRCS Colorado also requires a general five year easement management plan signed off on by the landowner upon which compatible use agreements are based. The management plans are to be renewed at five year intervals.

Conservation Stewardship Program (CSP):

1. Does CSP include public lands?
 - a. Gary Finstad – “No, CSP does not include public lands.”
2. How are CSP funds appropriated?
 - a. Tim Carney, Assistant State Conservationist for Programs – “The Conservation Stewardship Program is an acreage based program. Each state is allocated acres based on the Farm Bill allocated acres, prorated to each state based on eligible agricultural and non industrial private forest land. They acres are allocated annually and should stay the same throughout the years unless changed through Congressional action.”
3. When the CSP expires, how will it affect the contract in place?
 - a. Tim Carney – “At the end of the five year CSP contract, there will be an opportunity to reenroll into another five year contract if there is additional substantial improvements in stewardship planned. You may not make amendments to the contract once in place.”
4. Where may we find definitions for the different types of lands?
 - a. Gary Finstad - "Eligibility for CSP is limited to working agricultural lands and non-industrial private forest land. Definitions of these are available in the draft CSP manual. The definition of "cropland" can be a bit confusing. Ultimately, we must base our technical decisions on how the land has been managed before the application for CSP participation was submitted."
5. Comment - This is important regarding the expiring CRP contact lands that may be eligible for CSP. People need to know their potential compensation based on whether the land is considered crop or grazing land.
6. What about land that is currently enrolled in CSP and goes to CRP?
 - a. Gary Finstad – “Technically, that is a contract violation. Because of the conservation benefits of the CRP, there may be consideration to reduce or waive contract cancellation financial penalties.”
 - b. Tim Carney – “We will weigh this on a case-by-case basis unless general NRCS policy is issued. All contract violations are subject to being financial repayment and penalties.”
7. Are the stewardship activities on public land included?
 - a. Tim Carney – “A change has been made from the previous program and now the private lands are considered only.”
8. Regarding CSP eligibility, most people are not eligible because they do not have long-term agreements.
 - a. Gary Finstad – “The landowner just needs to have control of the life of the contract. We are dependent upon good faith assertions. Beyond that, there’s a big gray area. I think that’s another area that we should work on with this program.”

9. How much erosion is acceptable under this program?
 - a. Gary Finstad – “If you have a contract, you must maintain the level of conservation treatment provided for in the contract. NRCS will work with you if there should be excessive erosion due to extreme weather. In a contract there is due diligence on both parties, including the individual and our agency.”

Environmental Quality Incentives Program (EQIP) and Public Lands Eligibility:

1. What type of land is eligible for WHIP?
 - a. Jodi Hastings, EQIP Coordinator – “WHIP is restricted to private land by statute.”
2. Would the public lands contract for EQIP need to be five years?
 - a. Jodi Hastings – “Contracts can be as short as a couple years and range all the way up to ten years.”
3. What happens in a situation where the producer has a 10-year lease on land, but the contract has a 20-year life? What if the second lease does not want to sign the contract? Does the contract expire?
 - a. Jodi Hastings – “No, the initial contract owner is responsible, unless the secondary party is eligible and accepts the contract via transfer.”

Conservation Reserve Program (CRP) Priority Areas and Discussion:

1. Could you please explain the EBI ranking system?
 - a. Ron Koberstein, FSA County Executive Director – “It depends on the type of zone, water quality, air zones, and wildlife zones. Your EBI ranking is contingent upon what type of zone that we overlay. If you address the water quality, for instance, you will receive additional points.”
2. How does re-enrollment into the program work?
 - a. Billy Merritt, FSA Agriculture and Programs Specialist – “Using the EBI ranking system and competing with everyone else. CRP is set to expire in 2012 with the 2008 Farm Bill.”
3. How can we raise the 25% cap?
 - a. Billy Merritt – “The main criteria for getting the 25% cap raised includes when area producers are having trouble complying with their farm plans.”

EQIP Organic Initiative:

1. Where can we find the eligible practices for EQIP?
 - a. Jodi Hastings – “You can find all the qualifying practices on the NRCS Colorado web site at <http://www.co.nrcs.usda.gov/programs/eqip/eqip.html>. Also, greenhouses are not currently being considered.”

EQIP Air Quality Initiative:

1. One comment - I heard the EPA will require that air exiting a tractor must be cleaner than the air entering a tractor by the year 2014. I would like to use EQIP money for that.
2. How are the nine counties with ozone problems different than other places?
 - a. Jodi Hastings – “These areas simply have higher ozone levels and Clean Air Act non-attainment status. These issues are not necessarily agriculture-related. However, agriculture would still like to contribute by doing its part to reduce these high ozone levels and the Agency is providing technical and financial assistance opportunities.”