

Minutes of the Arizona CRM Executive Group Meeting

October 11, 2007

Present

David McKay, Natural Resources Conservation Service
George Ruyle, UofA Cooperative Extension Service
Diana Marsh, Arizona Department of Environmental Quality
Brett Cameron, Arizona Department of Agriculture
Doug Littau, Farm Service Agency
Mike Taylor, Bureau of Land Management
Dave Stewart, Forest Service
Carol Erwin, Bureau of Reclamation
Tanya Norwood-Pearson, Arizona Association of Conservation Districts
Sal Palazzolo, Arizona Game and Fish Department
Debra Bills, Fish and Wildlife Service
Don Paulus, Natural Resources Conservation Service
Phil Heilman, Agricultural Research Service
Bill Dowdle, Arizona State Land Department
Joviat Pajarillo, Environmental Protection Agency
Steve Barker, Natural Resources Conservation Service

Don Decker called the meeting to order at 9:05 am. Don introduced himself as the chair of the Arizona CRM State Task Group, and as the NRCS Malpai Borderlands Coordinator. He then introduced David McKay, Chair of the Executive Group.

David McKay welcomed everyone to the CRM Executive Group Meeting. He discussed the importance of CRM in Arizona because of the mixed land ownerships and overlapping responsibilities of the State and Federal agencies. He then asked everyone to introduce themselves around the table.

During his introduction, Dave Stewart announced that Harrv Forsgren will be leaving and Corbin Newman has been selected as the next Regional Forester.

Don Decker then reviewed the minutes of the last Executive Group meeting, and asked for any corrections.

Carol Erwin asked that her agency update from the last meeting be clarified. Reclamation can now only provide assistance within their "project" areas. The previous minutes show "program" areas. In the past, Reclamation was able to work on water conservation efforts anywhere in the state, helping with water issues for example in Flagstaff or on the Navajo Nation. Now they are only able to work in their project areas, such as the Salt River Project area. She again asked that agencies speak out and ask that Reclamation be allowed to return to doing water conservation work across the state.

Tonya Norwood-Pearson from AACD asked who the communication should go to. Carol Erwin suggested contacting the Reclamation Commissioner, Robert Johnson.

Brett Cameron moved that the minutes be accepted as amended. Second by Carol Erwin. Motion passed.

David McKay then asked each agency to give an agency update.

BLM – Mike Taylor discussed the on-going workload of grazing renewals that must be done by 2009. He also discussed the successful landscape level restoration projects being worked on with multiple partners in New Mexico. This is part of the Healthy Lands Initiative, and EQIP is helping to fund some of the work. Arizona BLM would like to work with AACD and others to expand that cooperative effort into Arizona.

FSA – Doug Littau said that crop and livestock disaster program signups are underway right now. Producers can also sign up for the emergency loan program right now. Doug said that FSA can also provide loans to producers who need funding for any of the NRCS financial assistance programs such as EQIP.

ASLD – Bill Dowdle discussed the recent decision by the Commissioner to allow the Forest Guardians to bid on the Knight ranch near Springerville. A sealed bid will be approved by the Commissioner in the next month or so. The Forest Guardians told the State Land Department a couple years ago that there were 25 “crown jewels” that they would be bidding on. They have not said where the 25 allotments are. The Knight ranch was the first of those grazing allotments. They filed on this about a year and a half ago, and offered significantly more per AUM than the current lease pays. Statements of equity were required from both parties in making the decision. Under the current law, the rancher will have the option to match the high bid.

Bill Dowdle also said that a market based study was done on the rental rates for State Trust land that is leased as cropland. There are about 410 leases on 180,000 acres. The study showed that lease rates are well below market value in most locations, and rental rates may go up substantially in the near future.

Bill Dowdle said the State Trust Land reform will be back on the ballot this year, scaled back significantly from prior year efforts. The proposition will not require amending the constitution, and will be aggressively supported by the Governor.

Jovita Pajarillo suggested that Arizona consider bringing several of the environmental groups together, including Forest Guardians, to discuss the benefits of keeping ranchers on the land. An effort is underway in California with Cattlegrowers and USFWS to work with environmental groups on conservation and biodiversity. Jovita offered to provide more information to the group about the effort. Several members discussed the goal of Forest Guardians to remove all livestock from public lands, and suggested they would not likely cooperate in such an effort. Dave Steward suggested that the idea still has a lot of merit.

Don Decker said there are several existing partnership efforts with environmental groups like this in Arizona, but they are more local – there is not a statewide effort.

Tonya Norwood_Pearson said that the bigger issues keeping agriculture on the land is the real estate industry, and the amount of money being spent to convert agricultural land to subdivisions.

Brett Cameron asked if Forest Guardians could ask for a new round of bids if the rancher matches their bid. Bill Dowdle said no – the current rancher would get the lease renewed.

Sal Palazzolo said that the Arizona Game and Fish Department has commented on several of these ranches, arguing that the public good on State Trust lands should be considered in addition to the lease price. They have been told that the only consideration allowed is basically the appraised value of the lease. Sal said the core issue is the need for State Land reform so that the Department can consider other factors besides trust income.

ADEQ – Diana Marsh reported that ADEQ is making changes in their grant program, trying to ensure that the outcomes of improving water quality will be achieved by the proposed projects. In the past, grants were given more on a first come, first serve basis. Now they want to determine if the proposal is in one of the critical areas that needs improvements, using GIS and other tools to prioritize areas. They are looking for ideas from everyone on where to put the grant funds.

Jovita Pajarillo from EPA suggested that ADEQ get input from the other agencies on the RFP before it goes out for proposals. Other agencies could suggest how the grant funds might be leveraged with their program funds, and that information could be provided to the participants.

Diana Marsh also discussed the need for a recreational water quality impact campaign. Off road vehicles, human and pet waste and impacts is a big issue in Arizona, and the “Don’t Trash Arizona” campaign is just not enough.

AGFD – Sal Palazzolo reported that the Arizona Game and Fish Department is working to encourage ranchers to participate in coordinated resource management plans, trying to educate them about the benefits and the various programs other agencies offer. Sal is also trying to educate other AGFD employees about CRM and the programs available. They have refilled the TSP position in the NRCS Field Office in Prescott Valley. That person will be able to work with ranchers on both NRCS financial assistance programs, and just provide wildlife planning support to the NRCS.

Sal Palazzolo said AGFD is working with several large ranches who have CRM plans. Diablo Trust is working with NRCS, USFS, and AGFD on an 8,000 ac grassland restoration project on National Forest lands.

AACD – Tonya Norwood-Pearson introduced herself as the new Executive Director for AACD. She has been in her position about 4 months now. Tonya said she is trying to look at what Districts can offer as a whole, instead of individual areas on a map. She is looking for ways that Conservation Districts can assist all agencies en-mass.

AACD is working with EPA, and Arizona Department of Agriculture, and others on a grant matrix. A brochure is being developed on how to leverage funds to get projects on the ground. Tonya is also working on how to better manage projects managed to ensure they are completed.

AACD is also working on water quality, watershed health, and 1st and 2nd water right issues, and how conservation districts might help monitor water within in a watershed.

Tonya discussed the President setting aside Monument Valley without any discussion with local agricultural producers, and how to ensure that adequate studies are done before these kinds of decisions are made.

An owners manual for invasive and noxious weeds is being printed that will tell producers what can be done. AACD will take the manual to the Governor's Council for Invasive Species.

AACD is working on native seed production efforts in Flagstaff with NAU, and in Tucson with NRCS. There are a lot of people interested in buying native seed, but there is very little native seed available. Jovita Pajarillo suggested that AACD work with ADOT on this effort. Tonya said they have already been contacted and have expressed interest in buying more native seed grown locally.

AACD is also working on reviving the OHV legislation that fizzled last year. This is still an important issue to agricultural producers. There needs to be an educational component to teach these groups land about land use etiquette. There is also a need to educate law enforcement about the need to enforce these laws.

In January, AACD will have their legislative session, and Tonya invited all of the agencies to let AACD know of any issues they would like AACD to discuss with legislators.

Tonya has also started an effort to increase bio-energy use and knowledge, and is looking for grants to help.

BOR – Carol Erwin said that Reclamation is currently involved in several coordinated planning efforts, including about half of the DWR watershed groups. Historically, they have been involved mostly in agricultural water needs. Now they are mostly dealing with urban water needs. There is not a lot of agricultural representation, and there needs to be more coordination to ensure planning is being done for both people and food production.

Reclamation owns the land under Lake Pleasant. At the north end of the lake, in the Agua Fria arm, there is a designated conservation area. Not much was ever done with

it. As a result of illegal dumping and shooting, it was closed to vehicle access. Reclamation has had several public meetings to determine what should be done with the area. When the bald eagle closure goes into effect in Dec-Jan, there will be no way to get in to fish or put a boat in the water on that end of the lake. The plan is to allow some limited access, because it is too far for kayakers and others to walk in. They will need to close off the OHV roads that have been created. There is a ranch headquarters in that area, and the owner has expressed an interest in selling. Several agencies are looking at ways that the ranch might be purchased and used to provide a law enforcement presence on that side of the lake.

ARS – Phil Heilman reported that there has been a big push to get all agencies working together on ecological site descriptions in Arizona. There are currently about 700 site descriptions, but only about 200 have had state and transition descriptions developed, and even fewer have range health assessment worksheets done. Steve Cassady held an interagency meeting with 23 people to discuss setting up Major Land Resource Area (MLRA) workgroups, and have agencies share the work of getting the site descriptions improved. Phil encouraged all of the agencies to allow their staff around the state to participate.

ADA – Brett Cameron reported that the Arizona Department of Agriculture had finished awarding 4.4 million in livestock grant funds to 72 applicants. There were 92 total applicants requesting 10.9 million in funding. One of the applicants is appealing. Brett said this applicant has received funds from many other agencies in the past, and that the land is now being sold for subdivision. Other agencies were also aware of the subdivision going on.

ADA has also funded 11 projects for ½ million dollars for specialty crops. This money comes through AMS to ADA. Many of the projects funded were with UofA.

Brett reported that all state agencies have recently had their budget cuts between 4.5 and 7% effective immediately. They are anticipating another cut in January.

USFS – Dave Stewart reported is continuing to focus on their top priority of restoration of fire adapted ecosystems. They Forest Planning efforts were stalled by legal challenges, and hopefully those issue will be clarified in the next few months. The 2005 travel management rule is also requiring that planning be done for vehicle use on all national forests.

The range program is in the next tier of priorities, and grazing permit renewals by 2008 for NEPA compliance continues to be a large workload. 1000 allotment plans have been completed with 250 more to go. That will get the USFS in compliance with NEPA. The litigation workload has dropped to a trickle, as procedural issues have been resolved. Most of the lawsuits in the past 10-20 years had nothing to do with the conditions on the ground.

As a result of this effort, grazing permit renewal in Region 3 is well ahead of other regions in the west, who still have this NEPA workload ahead of them. Recently the Forest Service has moved toward an adaptive management approach, and are

beginning to incorporate it into their grazing permit renewals. They recognize the need to place more emphasis on outcome, and not be prescriptive. Monitoring needs to be focus on determining if we have accomplished what we want. There needs to be a collective commitment to monitoring. USFS has been working with the Arizona Grazing Lands Conservation Association, UofA, and other agencies on this effort.

Dave Stewart discussed the many accomplishments happening on National Forests in Arizona with EQIP funding. The next Farm Bill will tell us if that work will continue or not.

CE – George Ruyle reported that Cooperative Extension provides primarily an education and facilitation role in CRM efforts. They have had a long commitment to CRM in Arizona at all levels from ranch planning to the Executive Group. They are also currently very involved with watershed planning efforts, including NEMO, and the master watershed program.

EPA – Jovia Pajarillo reported that EPA has appointed Jerad vollmer to the State Task Group. This was the first of those grazing allotments. They filed on this about a year and a half ago. Regional Administrator Wayne Nastri asked that she participate at the Executive level based on the kind of work CRM is involved with. EPA is involved with other agencies in NEPA process, and they have another coordination group that David McKay and others are involved with.

Jovita passed out a brochure on an upcoming conference that others might be interested in. She also discussed a food safety regulation that came out last week for comment by December 3. It is related to national markets agreement for leafy greens. Some of the proposed regulation could be the wrong approach for water quality and wildlife.

USFWS – Debra Bills reported that USFWS is in their cycle of Partners grants right now. They are also busy with litigation related to listing and not listing species. Debra said the wall on the Mexican border in of concern to many people who are concerned about the impacts to wildlife.

The bald eagle delisting has not yet been replaced with a protection mechanism. While there is no legal way to take bald eagles currently, many large construction type projects are affected. A protective mechanism for eagles is likely to be in place in a year or so.

On a positive note, the largest release of native fish in Arizona has recently been completed after years of effort. 400 top minnows, desert pupfish, spike dace and loach minnows were released in Richfield Canyon in the Galiuro Mountains.

NRCS – David McKay reported that NRCS is under a continuing resolution for funding. Most of the programs in the 2002 Farm Bill expired on September 30, 2007. The Secretary of Agriculture has extended the authority for the environmental quality incentives program (EQIP) and the conservation security program (CSP). Arizona should be receiving about 80% of last year's EQIP appropriation from last year in the next week or so. Conservation Technical Assistance funds will be at 12.8 % under the

continuing resolution thru November 14th. Arizona's two main funding programs will be funded, so we should be ok. States who depend heavily on currently unfunded programs like CRP or on earmarks are facing budget issues right now.

Field Offices are currently trying to take applications, develop conservation plans, and obligate the EQIP funds in contracts by December 30th. The deadline for applications was October 1. This accelerated timeline is being done nationally in an effort to waiting for the new farm bill to pass, for new rules to be written, and avoiding the potential for a very short deadline at the end of the fiscal year to obligate the funds. Currently we have about 270 applications. We should also have our TSP funds, and need to be ready to move forward with our agreements with other agencies and partners.

CRM has been a requirement for utilizing and EQIP funds on federal lands. Many producers are not able to participate because of NEPA delays. NRCS has been meeting with the Tonto National Forest at least 2 or 3 times a year to keep communication open, and that has really helped the process. This kind of communication is needed as NRCS moves the program onto BLM and other Forests in Arizona.

NRCS is working with Arizona Cattlegrowers and others to ensure that we have a clear message about why EQIP is being used on intermingled lands. The programs are not intended to help keep producers in business. The purpose is to provide environmental benefits – riparian area improvements, grazing management, improved water quality.

Congress is not expected to act on the Farm Bill before the end of the year. There are 2 or 3 priorities ahead of the Farm Bill when the Senate comes back in session, including this year's appropriations. There is also a tax package proposal that could free up an additional 15 million dollars that could be used in conservation programs. The Senate may wait to see the outcome of that effort before it takes up the farm bill.

Don Decker then presented the State Task Group draft Strategic Plan (see attached PowerPoint).

Debra Bills asked if the current Arizona CRM handbook mentioned in the presentation is available on-line. Don Decker said it is not, but it could be made available. Steve Barker said he would attach it to the meeting minutes.

Jovita Pajarillo asked if there had been any discussion about coordination of science between the agencies. For example, impacts of grazing, fire, watersheds etc.

Tonya Norwood-Pearson discussed an example of the water issues on the Verde River, and where could individuals or groups go to find out what agency science information was available.

Jovita Pajarillo suggested a CRM Website that would link to agency information.

Diana Marsh suggested that it should also identify agencies with scientific expertise and skills.

Jovita Pajarrilo suggested that CRM plans should get higher priority for funding in programs like 319.

Don Paulus then gave a presentation on a proposed watershed structure for the CRM Field Groups (see attached PowerPoint). The proposal would provide for 10 watershed based Field Groups in Arizona. It would not attempt to restructure existing working groups, such as the ranch planning coordination field groups, watershed groups conservation districts and farm bill local work groups. Instead, the Watershed Field Groups would provide a forum for agency groups and other interest groups to come together once or twice a year, meet each other, and share information about what is happening in the watersheds. There is also a need to get Tribes involved in CRM at all levels.

Jovita Pajarrilo said EPA has many good relationships with Tribes in Arizona and would be willing to help encourage them to be involved.

There was a lot of supportive discussion about the proposal. Diana Marsh from ADEQ moved that the watershed alignment of Field Groups be approved. Jovita Pajarrilo seconded the motion. It was approved unanimously.

Steve Barker asked if any decision was needed on the State Task Group strategic plan proposal. The group decided it needed to be further developed based on the watershed Field Group decision, and the State Task Group members should continue working with the Executives over the next 6 months to identify what each agency wanted in the strategic plan. The State Task Group was asked to send a proposed strategic plan to the executives before the next Executive Group meeting so that the Executives could come ready to make final decisions.

David McKay set the proposed date for the next Executive Group meeting for April 16th, 2008. He asked all who were at the meeting representing their Executives to check with them, and let him know if any of the Executives have conflicts with that date so it can be changed as soon as possible.

The meeting adjourned at 12:30 pm.