

**STATE TECHNICAL COMMITTEE MEETING  
APRIL 3, 2007**

*David McKay* opened the meeting by stating that this group needs to help us with the purpose of our programs. Some of the things that have come forward during the last couple of years spurred his interest in getting this committee in more of a leadership role to bring forward some of the issues. One of the things that came to light was the fact that we were not cost sharing solar panels in our cost share programs. We started the process of building a standard and spec for this practice.

He wants to get a step ahead to provide air quality, energy conservation and other conservation issues. We're looking at the development of the 2007 farmbill which has positive aspects to assist tribal and other socially disadvantaged customers. All of the people in this room will in some way be impacted with the new farm bill. A lot of people are looking at the Secretary's proposal in developing language for this farm bill. In prior years, the senate weighed in and it took a long time to select a process among all the proposals brought forward. The 2002 farmbill put a lot into conservation. We had a budget of about \$1 million in the 1996 farmbill, and about 23 million in 2006. The 2002 farmbill dies on September 30, 2007. There are a couple scenarios: if the 2002 is not extended, it ends. The longer the delay in the new farmbill, the longer the delay in our getting any funding (we may not see the money right away.)

The conservation title is getting a lot of good air time. We spent 3-4 times as much for EQIP that we did WHIP. EQIP has thus been more of a wildlife program than WHIP. So having all these programs under one program will be great as it will cut some of the administrative processes into one so we can spend more time actually working the program, rather than administering the processes.

*Eric Banks* provided an overview of the Farm Bill Conservation Title Summary. Overhead provided. All farmbill related programs would be combined into one program called EQIP. This program will allow us to address water quality and water quantity, which we have not been able to address much in AZ. It will eliminate one tier of the CSP program.

We are also looking at consolidating the Emergency Watershed Program and the Emergency Conservation Program into one program to provide a one-stop source to provide assistance to those impacted by natural disasters.

Question: What's the definition of a beginning farmer and one that is socially disadvantaged?

Answer: A beginning farmer is a new farmer who has not farmed more than 10 years. Socially disadvantaged farmer are those who we have not made a good effort to outreach. It is historically those who have been denied access to programs; tribal entities are a good example. Actual definition provided.

Question: Regional enhancement program, does that mean that CDs and IDs can apply?  
Answer: Yes, this REP program will allow these groups to apply.

*David McKay* stated that all should remember that this is proposed language. Any of it can be changed. Currently, to determine socially disadvantaged entities (a tribal grazing association) we have to identify every one as limited resource producer, which is almost impossible. If they are a socially disadvantaged group, we don't have to prove eligibility of each and every producer. There is a lot of redundancy in our programs. Each program requires a program manager, which causes more overhead.

*Brett Cameron*: Aside from consolidation, do you foresee criteria changing?  
Answer: Yes, but they usually don't get into criteria until it is decided what is going to be done.

*Sal Palazollo*: We've had a lot of discussion regarding consolidation and are looking for assurances that the language within EQIP allows equitable distribution of the monies across all the programs.

*David McKay*: They want to make sure that we keep the good things about all the programs when developing the language to the new farmbill. When we set aside 10% for socially disadvantaged, I want to make sure that isn't a cap. AZ goes well past that so we can continue to address the severe, critical resource issues on private and public lands. I want the flexibility to use more than 10%, which I think is the way it is being presented, to really address that resource management system without bumping up against any legislative limit. If I have a goal and meet that goal, I'm going to move on to the next goal. It's OK to set goals, but we need the flexibility.

*Eric Banks*: Payment Schedule for FY08 has been directed. We need help from this group to form a committee on how to implement this schedule in Arizona. Each activity will have a payment rate based on the cost of applying typical practices in typical scenarios.

Nature Conservancy: If we are going to do a prescribed burn. We would get a percentage. Are you saying that we would tell you what we are going to do, then you will tell us how much you will give us?

Answer: Yes. Rather than figure each scenario, we will pay a flat rate schedule for the work. More of an interest is being placed on benefits, rather than cost. We're looking at relating practices to their outcome for air quality, and other resource benefits.

*Sal Palazollo*: Do you know how long the payment schedule will be in effect and how often it will be reviewed? How is the payment schedule determined? What's the formula that determines the cost share?

Eric: It is my understanding that we will take typically used figures from the past to use our experience to determine the figures. We will be using a sound approach toward determining the costs.

Question: How will you determine the work has been done?

Answer: We will still have our folks (or TSP's) certify the practice was completed prior to making payment.

*David McKay:* Fixed cost share percentage figures will no longer exist. It will behoove the producer to get the practice in right away or their costs will go up. We will not have to verify all the receipts. Contract time should be scaled down.

Question: We hear the cost share program is going away.

Answer: The cost share program is not going away, the program is changing. I think what you see now is that we are working toward a flat rate schedule is to cut overhead and make things a lot less complicated, not only for our agencies, but also for our producers. One of the criteria will be what does it cost, another would be what are the benefits of this practice. These will be considered when determining the incentive.

*Steve Barker:* The purpose of this group is to focus on the technical issues and funding. The local work groups tell us what is needed. We have got to get the districts up and running and providing their input. I think this is going to all come down as watershed based. The districts need to consider this and dust off their long range plans, etc., and determine what issues they need to solve – to help us help them get things done. I need a committee to help get that information out to local work groups. We have a lot of districts in the state. I need all of you providing your expertise regarding state resource problems. Your agencies have a lot of information that can help them incorporate all this into their plans. This is not NRCS's state technical committee, it is all agencies committee. Give me your name before you leave if you are interested in working on this committee.

*Victor Wakamoto* introduced *David Lakeman* who discussed the Fre-Flo water treatment system.

*John Heiny* explained the working process of the Fre-Flo. The Fre-Flo causes a channel to rotate giving the molecules an opportunity to come in contact with the metal, changing the form of the calcium carbonate crystal to a very soft crystal. The one limitation is that it must be sized according to the flow.

*Bill Galli*, Certified Crop Advisor for Western Farm Service provided his endorsement of the product. The more bicarbonate, the faster the results.

Comment: These kinds of devices have been around for 20 years. I don't have an issue with the technology. You're not saving water. You can save water by using the water more wisely. The plant does not use any more water. What is happening is the plant is healthier. People will start believing you if you put science behind you. More people will believe if you have documentation and publications that shows scientists have proved this device works as you say it will.

*Tom Bennett, Emissions Technology:* Conservation is in terms of creating systems that allows machinery used today to be more efficient. He discussed the combustion catalyst system.

*Larry Riley, AZ Game & Fish Department:* Discussed Quagga Muscle/Zebra Mussle. They are mollusks and have been detected in some Lakes in Arizona.

Question: If people bring samples, can we send them to you?

Answer: Yes.

*Steve Barker:* As a group, do you prefer to have technical presentations as we did today, or do you prefer they be after lunch so you can leave if you're not interested?

Answer: Keep technical presentations short and after lunch.

*Sal Palazollo* discussed a new Conservation Reserve practice tied to at-risk species. AZ received acreage to apply this to. The emphasis is on at-risk species, but we can work on other things at the same time. CRP is for farming land. FSA county offices will be looking at rental rates and send their input to the state office. The program does not apply to marginal farmland.

Marlo Draper, Sal Palazolo and Kris Randall agreed to be members of the task group to provide local workgroups with information regarding the new farmbill and the need to provide input.

Meeting adjourned at 12:10 pm.