



**Meeting of the Agricultural Production Subcommittee
June 7, 2010
Location: RCD Office
4:00 pm- 5:00 pm**

1. Call to Order
2. Introduction of Guests, Committee, and Staff
3. Public Comment- The Committee will hear comments on items that are not on the agenda where the Committee has jurisdiction. Comments are limited to three minutes per person.
4. Action Item Selection Committee members will determine how to allocate remaining grant funds from Agreement Number 09-302-550 with the California State Water Resources Control Board for the project entitled “Improving Water Quality in Coastal San Mateo County Watersheds.”
5. Public Comment- The Committee will hear comments on items that were discussed. Comments are limited to three minutes per person.
6. Adjourn





**Minutes of the Meeting of the Agricultural Production Subcommittee
June 7, 2010
Location: RCD Office**

Committee members present: Rich Allen, Jim Reynolds, Louie Figone
Staff present: RCD- Kellyx Nelson, Carolann Towe; NRCS- Jim Howard

1. Call to Order

Figone called the meeting to order at 4:05 p.m.

2. Introduction of Guests, Committee, and Staff.

There were no guests.

3. Public Comment.

There was no public comment.

4. Action Item

Staff provided updates on the projects that were selected by the committee in August 2009. Seven projects were selected, of which one was cover crops on about 17 farms in partnership with the Farm Bureau. Of the six projects on individual farms, three (Projects 1, 2, and 4) dropped out due to inadequate cost share and/or ARRA compliance issues. Of the three that went to construction, two were completed (Projects 3 and 6) and one is still underway (Project 5). Project 5 encountered significant obstacles to completion that could not have been anticipated, resulting in cost overruns, and EQIP cost share was significantly below market value.

Staff found that the ARRA compliance reporting requirements were very burdensome and costly for the RCD, and that the requirements for small projects were as burdensome as the requirements for large projects. With very limited resources remaining in the grant for project administration, staff does not have the capacity to undertake another set of projects. Furthermore, the grant requires construction to be completed by October. There is some uncertainty about whether or not new projects could be completed by that deadline, potentially leaving growers carrying the financial burden if they pay to do work on a project and are not reimbursed because the project could not be completed in time.

For these reasons, staff recommended two options: (1) return the remaining funds, or (2) distribute the remaining funds to Project 5 (an additional \$30K +) so that it can be completed, and to Project 6 for minor cost overruns that (\$350).

Figone asked how Project 5 would meet the committee's selection criteria. The project meets the criteria for water benefit (weighted at 60%), cost effectiveness (weighted at 30%), is on irrigated pasture, the landowner has signed a participation agreement, and is likely to be completed within the timeline allowed with additional support.

Criterion III, "Equitable Distribution" (weighted at 10%) was discussed further. This producer has received funds in each round of selection and received the second highest amount of grant funds overall in the project. However, the funds that remain are available because other participants dropped out and inclusion of the project did not compromise the distribution of grant resources to others. This is a partner that has been willing to partner with us regardless of the amount of red tape, and even after being financially harmed by the funding freeze. They had taken out a loan to pay for conservation work and were left holding that debt while waiting many nearly a year for reimbursement, with uncertainty about whether or not it would happen at all. Similarly, they took out a loan for the \$30K + work that they have already done on Project 5, and will not be if they do not complete the project. In the interim, they have had to lay off staff and have indicated that they cannot complete the project without additional support.

Allen moved giving \$350 towards project 6 and remaining funds towards 5. Reynolds seconded. Motion passed unanimously.

5. Adjourn

Meeting adjourned at 4:30 p.m.