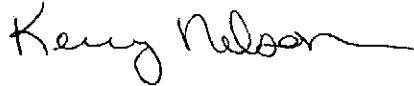


Date: Feb. 4, 2014

To: House Resource Committee:

Rep. Eric Feige, Co-Chair
Rep. Dan Saddler, Co-Chair
Rep. Peggy Wilson, Vice Chair
Rep. Mike Hawker
Rep. Craig Johnson
Rep. Kurt Olson
Rep. Paul Seaton
Rep. Scott Kawasaki
Rep. Geran Tarr

From: Kerry Nelson, Board of Supervisors Chair
Kenai Soil & Water Conservation District



Re: **Comments on CS HB 207**

- 1) Under the current board structure, the DNR employee who serves as the NRCDB Executive Director provides essential services to Soil & Water Conservation Districts (SWCDs). As the NRCDB Executive Director, Shana Joy administers nominations and elections of District Supervisors, provides necessary training and mentoring for District staff and supervisors, helps new Districts get organized, holds Districts accountable for their responsibilities under the Cooperative Agreement with DNR including annual work plans, inventory and reports of accomplishments, serves as a liaison and advocate on behalf of Districts with DNR and other state agencies, and generally helps to increase the quality and consistency of District operations. It is our understanding that if the NRCDB Board is dissolved Shana Joy's position in the DNR Commissioner's office will remain, as she has other responsibilities entirely unrelated to the NRCDB. **It is essential that HB207 be amended to provide that DNR continue to have a staff member designated to carry out the oversight and accountability functions that have been the responsibility of the NRCDB Executive Director.**
- 2) HB207, as currently written, provides that five out of twelve voting members will be "land users of a soil and water conservation district" where land user is defined by AS 41.10.140 ("a producer of renewable resources...(who) has a current cooperative agreement with a soil and water conservation district") In Rep. Feige's presentations to the Alaska Association of Conservation Districts in October and to the Alaska Farm Bureau in November, he stated that the board would be composed of nine voting members, of which five would be SWCD cooperators. Please recognize that not all cooperators work closely with their local Districts nor are they necessarily well-informed about District needs or the needs of other cooperators. **If the legislature's intent is to create a board that is sufficiently well-informed that it can advise**

SWCDs, we would strongly recommend that HB 207 be amended to reflect that, in addition to the requirement that a majority of voting members (5 out of 9, or 7 out of 12) of the proposed Board of Agriculture, Conservation and Development (BACD) be SWCD cooperators, those cooperators must be either nominated or approved by their local SWCD in order to serve on the board. In addition, the quorum should be at least a majority of voting members. As currently written, HB 207 defines the quorum as 5 of 12 voting members.

- 3) We understand that one goal of HB207 is to improve communication between the agricultural industry and state government. We applaud that goal and would very much like to see a unified voice for agriculture that results in meaningful interaction with and support from state agencies. SWCDs are an integral part of Alaska's agricultural community, and therefore it makes sense that District cooperators should play a significant role on the new board. Given the general approach to defining the new board's responsibilities in HB207, i.e. assigning responsibilities of two boards to one, we find it perplexing and concerning that the new board might be given new, ill-defined powers over SWCDs by means of the phrase "advise and regulate" in Section 4, subsection 10. To our knowledge, no one has made a case as to why or how a volunteer board would be in a position to create regulations for SWCDs or how that would be an improvement over the current situation. **We would respectfully submit that the role of the proposed board should not be to "advise and regulate" SWCDs but to "advise and assist" them, in keeping with the current NRCDB duties as described in AS 41.10.100.**
- 4) HB 207, as currently written, moves loan approval authority for the Agricultural Revolving Loan Fund (ARLF) from the Board of Agriculture and Conservation to the Department of Commerce. While we understand the intent of this proposal, we are concerned that it will not "shrink government" if Commerce must hire additional staff. More importantly, we feel it is essential that someone with working knowledge of agriculture, agricultural markets and trends, and Alaska's relatively small agricultural community is involved in making decisions on ARLF loans. We suggest that the loan approval board at Commercial Fishing and Ag Bank (CFAB) already has expertise in this area and might be a more appropriate and cost-effective partner for the proposed BACD in managing the ARLF.
- 5) Lastly, we note that the list of activities for which ARLF loans may be granted (Section 10) includes "commercial production or processing of lime products, or other mineral products" but does not include composting or production of fish-based fertilizers. **As compost (fish-based or otherwise) and fish-based fertilizers are important agricultural inputs, please amend HB 207, Section 10 to include these activities.**



Kenai Soil & Water Conservation District

"Nurturing sustainable agriculture for the Kenai Peninsula"

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