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02.05.01 - RESOURCE CONSERVATION AND RANGELAND DEVELOPMENT PROGRAM

000. LEGAL AUTHORITY.

The Idaho Soil Conservation Commission, pursuant to the authority granted in Section 22-2729, Idaho Code, has been granted the authority to adopt the following rules for the administration of a Resource Conservation and Rangeland Development Program (RCRDP) in Idaho. (4-1-94)

001. TITLE AND SCOPE.

01. Title. These rules shall be known and cited as Rules of the Idaho Soil Conservation Commission, IDAPA 02, Title 05, Chapter 01, "Resource Conservation and Rangeland Development Program." (4-1-94)

02. Scope. The provisions of these rules set forth procedures and requirements for establishing, implementing, and administering a state loan and grant program for resource conservation and rangeland development. (4-1-94)

002. ADMINISTRATIVE APPEALS.

Reconsideration of loan disapproval or any matter affecting the amount of loan funds shall be done in accordance with RCRDP Rule Subsection 056.02.d. (4-1-94)

003. -- 009. (RESERVED).

010. DEFINITIONS.

For the purpose of these rules, unless the context indicates otherwise, the term: (9-9-86)

01. Account. The account established pursuant to Section 22-2730, Idaho Code, as amended, which contains the receipts allocated in Section 14-413 (3) (a), Idaho Code, and all monies appropriated to it by the legislature or made available from federal, private, or other sources. (4-1-94)

02. Applicant. Any individual, partnership, association, trust, estate, private corporation, or any other private legal entity which is recognized by law as the subject of rights and duties who files an application with the appropriate Soil Conservation District for a loan or a grant under the provisions of the act. (4-1-94)

03. Application. The loan or grant request document submitted to a Soil Conservation District. (4-1-94)

04. Board, SCD Board, or District Board. The elected supervisors of a Soil Conservation District. (9-9-86)

05. Commission. The Idaho Soil Conservation Commission as defined in Section 22-2718, Idaho Code. (9-9-86)

06. Contractee. The applicant when the loan has been closed and recorded. (9-9-86)

07. Coordinated Resource Planning Process. A process that considers all the resources and resource users within a geographical area and encourages active involvement and input from all interested parties. (9-9-86)

08. District. A Soil Conservation District (SCD) as defined in Section 22-2717, Idaho Code. (9-9-86)

09. Eligible Land. Private, state, county, or federal lands. (9-9-86)

10. Field Office. The principal headquarters of the District; it is usually co-located with the local Soil Conservation Service (SCS) office. (9-9-86)

11. Field Office Technical Guide. The primary technical reference used by Soil Conservation Districts. (4-1-94)
12. Practice or Eligible Practice for Grants. A practice that is proven or shows potential, when properly installed and maintained, for improving rangeland and riparian areas. (4-1-94)
13. Practice or Eligible Practice for Loans. A practice listed in the local field office technical guide that has been adopted by the local SCD. (4-1-94)
14. Practice Life. The number of years, with proper maintenance and operation, that a practice is expected to last, as shown in the field office technical guide adopted by the local SCD. (4-1-94)
15. Program Year. The state fiscal year. (9-9-86)
16. Project. One (1) or more practices to be installed with RCRDP loan or grant funds. (4-1-94)
17. Rangeland. Land used primarily for the grazing of domestic livestock and wildlife. (9-9-86)
18. Rangeland and Riparian Area Improvement Plan for Grants. A plan developed by the applicant and approved by the SCD board, designed to examine the adequacy, or adaptability of practices and systems for improving rangeland and riparian areas and to introduce potential practices and systems into areas where they are not now being accepted as a solution for improving rangeland and riparian areas. (4-1-94)
19. RCRDP. The Idaho Resource Conservation and Rangeland Development Program. (9-9-86)
20. Resource Conservation Plan for Loans. A plan for loans, developed by the applicant and approved by the SCD, that identifies the resource problems and needed conservation improvements, together with engineering and economic feasibility data and estimated costs. (4-1-94)
21. Riparian Areas. Riparian areas are sites directly influenced by free water. They have visible vegetation or physical characteristics that reflect free water influence. Lake shores and streambanks are typical riparian areas. Excluded are sites such as ephemeral streams or washes that do not exhibit the presence of vegetation dependent upon free water in the soil. (4-1-94)
22. Special Practice. A practice (not listed in the local field office technical guide) that includes a proven, modern technique that is necessary to solve a resource problem and meet program objectives as determined by the local SCD. (9-9-86)

011. PROGRAM POLICY.

01. Administration. It is the policy of the Idaho Soil Conservation Commission to administer the Resource Conservation and Rangeland Development Program to provide the greatest benefits to all concerned from the agricultural lands and rangelands within the state. (4-1-94)
02. Equal Opportunity. Each applicant regardless of handicap, race, age, sex, creed, color or national origin, shall be given the opportunity to apply for a loan or grant. (4-1-94)
03. Filing Applications. An application may be filed at anytime during the program year. (4-1-94)

012. PROGRAM OBJECTIVES.

01. Objectives. The objectives of the Resource Conservation and Rangeland Development Program are to:
- a. Conserve soil resources. (9-9-86)
 - b. Conserve water resources. (9-9-86)

- c. Improve riparian areas for multiple use benefits. (9-9-86)
- d. Protect or improve existing beneficial uses of the state's waters. (9-9-86)
- e. Conserve and improve fish and wildlife habitat. (9-9-86)
- f. Increase agricultural productivity of: (9-9-86)
 - i. Cropland. (9-9-86)
 - ii. Orchards. (9-9-86)
 - iii. Pasture and Hayland. (9-9-86)
 - iv. Rangeland. (9-9-86)
 - v. Woodland. (9-9-86)

02. Achieving Program Objectives. Decisions concerning the use of program funds shall be based on achievement of program objectives. The administration of the program shall emphasize coordinated resource management planning and decision-making to ensure maximum benefit of funds. Program objectives shall be achieved when the resource conservation plan or rangeland and riparian area improvement plan is implemented. (4-1-94)

013. -- 055. (RESERVED).

056. RESPONSIBILITIES.

- 01. District. The Soil Conservation District shall: (9-9-86)
 - a. Receive applications for program participation. (9-9-86)
 - b. Within sixty (60) days of receipt, review and evaluate the application for loans and grants to determine if the project is consistent with the District's program goals and objectives. (4-1-94)
 - c. Assign a priority of high, medium, or low to the applications. (4-1-94)
 - d. Forward applications to the Commission with a recommendation for funding. (4-1-94)
 - e. Prepare and forward to the Commission special practice requests. (9-9-86)
- 02. Commission. The Idaho Soil Conservation Commission shall: (9-9-86)
 - a. Review and evaluate applications. (4-1-94)
 - b. Approve loans, if: (9-9-86)
 - i. The applicant has adequate assets for security to protect the state from risk and loss. (9-9-86)
 - ii. There is reasonable assurance that the borrower can repay the loan. (9-9-86)
 - iii. Money is available in the loan account. (9-9-86)
 - iv. The loan shall not result in a condition whereby the applicant has a program loan liability in excess of fifty thousand dollars (\$50,000). (4-1-94)

- c. Disapprove loans for reasons including but not limited to: (4-1-94)
 - i. The purpose of the loan is to pay for resource conservation plan practices that have been applied prior to Commission approval. (4-1-94)
 - ii. If all the requirements in Rule Subsection 056.02.b. are not met. (4-1-94)
- d. Reconsider loan disapproval if the applicant, within fifteen (15) days after notice of disapproval, requests the Soil Conservation Commission, in writing, to reconsider its determination in any matter affecting the loan or the amount of loan funds. Reconsideration of the determination shall take place within ninety (90) days from the date the written request is received. The time, place, and date shall be determined by the Commission. The applicant shall be notified of the time, place, and date and shall have the right to appear. (4-1-94)
- e. Upon loan approval, execute a promissory note and other security documents with the applicant for loan repayment. (4-1-94)
- f. Not less than once per year, determine the loan interest rate not to exceed six percent (6%) annually. (9-9-86)
- g. Prepare an annual report showing RCRDP accomplishments and benefits resulting from use of loan and grant funds. (4-1-94)
- h. Administer and monitor loan proceeds to assure that the intent of the law is met. (9-9-86)
- i. Approve or disapprove special practice requests. (9-9-86)
- j. Approve grants, if: (4-1-94)
 - i. The applicant is eligible. (4-1-94)
 - ii. The project demonstrates public benefit. (4-1-94)
 - iii. Money is available in the account. (4-1-94)
- k. Disapprove grants for reasons including but not limited to: (4-1-94)
 - i. The purpose of the grant is to pay for practices that have been applied prior to Commission approval. (4-1-94)
 - ii. If all requirements in Rule Subsection 056.02.j. are not met. (4-1-94)
 - iii. The primary purpose is to finance research. (4-1-94)
 - iv. The purpose is to purchase or aid in the purchase of equipment to apply practices. (4-1-94)
- l. Upon grant approval prepare a grant agreement specifying the conditions of the grant. (4-1-94)

057. APPLICATION FOR LOAN.

- 01. How to Apply. Any applicant desiring a loan from the RCRDP account must apply through the local Soil Conservation District. (4-1-94)
- 02. Two (2) or More Applicants. Two (2) or more applicants may install a practice(s) as a group providing the loan can be adequately collateralized and all parties agree to joint and several liability. (4-1-94)
- 03. Application Form. The application shall be on a form prescribed by the Commission and must include: (4-1-94)

- a. Name of applicant, and the location, size, and type of agricultural enterprise. (9-9-86)
 - b. Applicant's status (full-time farmer/rancher, part-time farmer/rancher or owner of agricultural lands leased to another operator). (9-9-86)
 - c. Identification and extent of the resource problem (erosion, plant community deterioration, water loss, water quality, low production, etc.). (9-9-86)
 - d. Statement of applicant's objectives and expected benefits. (9-9-86)
 - e. Proposed practices, implementation schedule, and estimated costs. (9-9-86)
 - f. Estimate of total loan funds needed. (9-9-86)
 - g. Applicant's statement of security offered. (4-1-94)
 - h. Applicant's statement of willingness to allow continued monitoring and evaluation of impacts resulting from applied land treatment and management practices. (9-9-86)
 - i. A copy of the applicant's resource conservation plan which becomes a part of the application for assistance. The resource conservation plan shall include: (4-1-94)
 - i. A map showing project location and extent of the resource problem. (4-1-94)
 - ii. The eligible practice(s) to be installed. (4-1-94)
 - iii. Estimated costs of applying the practice(s). (4-1-94)
 - iv. An implementation schedule. (4-1-94)
 - v. A statement whereby the applicant agrees to properly maintain and operate installed practices. (4-1-94)
 - vi. Needed clearances, easements and rights of way. (4-1-94)
 - vii. Any other appropriate documentation needed to complete the implementation of the resource conservation plan as requested by the SCD or Commission. (4-1-94)
04. Presenting the Application. The completed application must be presented by the applicant (or representative) to the local SCD Board at a scheduled meeting. (9-9-86)

058. SPECIAL PRACTICE(S) APPROVAL FOR LOANS.

01. Special Practice Approval. A special practice must be approved by the Commission before it becomes an eligible practice. (9-9-86)
02. Special Practice Requests. Special practice requests shall be prepared by the local SCD for the Commission and shall include: (4-1-94)
 - a. A description of the proposed practice. (9-9-86)
 - b. A justification of need for the special practice. (9-9-86)
 - c. Standards and specifications for the proposed practice. (9-9-86)
 - d. A statement from the appropriate agency as to the technical adequacy of the special practice in

solving the resource problem. (9-9-86)

059. -- 080. (RESERVED).

081. ENCOURAGING PUBLIC BENEFITS WHEN INSTALLING PRACTICES.

District Boards shall encourage persons responsible for any aspect of performing practices to promote public benefit by improving or preserving environmental quality and ecological balance when the practices are being installed. Multiple objective achievement and total resource evaluation and treatment shall receive high priority consideration for loan funds. When reviewing loan requests the following considerations shall be made: (4-1-94)

01. Preventing Degradation. Preventing or abating pollution and other environmental degradation. (9-9-86)
02. Benefiting the Community. Benefiting the community by means such as outdoor recreational opportunities or enhancing the appearance of the area. (9-9-86)
03. Benefiting Habitat. Benefiting fish and wildlife habitat. (9-9-86)

082. -- 100. (RESERVED).

101. CREDIT GUIDELINES FOR LOANS.

These credit guidelines are established to reduce the risk of the state. Even though these loans are made at a low interest rate for the purpose of encouraging conservation and resource development, they must be repaid. This rule sets forth the requirements for determining the eligibility of an operator for a loan. (4-1-94)

01. Standards for Acceptable Loans. There shall be adequate assets and collateral for security to protect the state from risk and loss. (9-9-86)
02. Credit Information. Documentation shall be sufficient and verified to support the loan offered. It must include financial and operating statements and other supporting documents as deemed necessary relative to the size, complexity, and financial responsibility of the individual or entity being financed. (9-9-86)
03. Information Needed Prior to Loan Commitment. Documents and forms required for all loans: (9-9-86)
 - a. Loan application. (9-9-86)
 - b. Financial statements. (9-9-86)
 - i. A current balance sheet will be required from all parties who will be responsible for repayment of the loan and may be required from other relevant parties. (4-1-94)
 - ii. Applicant may be questioned about any major changes that may have occurred on the financial statements submitted. (9-9-86)
 - iii. Income and expense statements. The most recent three (3) year series of accountant prepared statements, if available, or tax returns are desired. (9-9-86)
04. Field Inspections. Field inspections may be used to: (4-1-94)
 - a. Determine loan and security positions, provide repayment estimates and verify agricultural assets. (4-1-94)
 - b. Indicate the applicant's management ability. (4-1-94)
 - c. Secure a complete and accurate description of collateral for the security agreement. (4-1-94)

05. Other Information Needed Prior to Loan Commitment. Real estate secured loans. (9-9-86)
- a. A legal description of the offered collateral. (4-1-94)
 - b. Real estate appraisal, if necessary, should consist of one of the following: (9-9-86)
 - i. Copy of appraisal made by a professional appraiser deemed acceptable to the state. (9-9-86)
 - ii. Evaluation made by Commission or the local SCD Board according to their knowledge of the estimated average value of the property in the area in which the project is to be implemented. (4-1-94)
 - c. Other Collateral. Any item having tangible value may be accepted as security for these loans. Condition of the collateral shall be updated periodically and additions to the security agreement may be required over time. (4-1-94)
 - d. If the state is not a primary lien holder, a request for notice of default shall be recorded and a letter written to primary lienholders notifying them of the security interests of the state. (9-9-86)
 - e. Must include a map designating location of subject property. (9-9-86)

102. LOAN CLOSURE AND ADMINISTRATION.

01. Servicing and Documentation. All loans shall be assigned to a loan officer (Commission employee) who shall be responsible for servicing the loan. (4-1-94)
02. Loan Securing Documents. Following approval of the application, the Commission, shall prepare all necessary loan securing documents. (4-1-94)
03. Loan Note and Security Agreement. The loan shall be secured by utilizing a loan note and security document listing the parties and the collateral, as well as terms and conditions of the loan. A mortgage or deed of trust shall be executed and recorded with the county recorder where the collateral is located if the collateral is real property. A security agreement shall be executed if the collateral is not real property. Appropriate financing statements shall be executed and filed with the Secretary of State on all collateral consisting of personal property. (4-1-94)
04. Fund Obligation. Funds shall be obligated when all loan conditions established by the Commission have been met and when all necessary loan securing documents are in order and appropriately signed by the applicant. Funds will then be obligated. Upon notification of fund obligation, the applicant who is now the contractee, may proceed with the implementation of the resource conservation plan. (4-1-94)
05. Cost Incurred. The applicant is required to cover all costs incurred for loan closure, title insurance, and recording fees. (9-9-86)

103. IMPLEMENTATION OF AGREED-TO PRACTICES.

Once the loan has been approved and the conditions of approval have been met, the contractee may install practices as identified and scheduled in the resource conservation plan. The contractee has the responsibility to obtain the appropriate technical assistance. Technical personnel shall assist the contractee in implementation activities to ensure that practices are properly designed, constructed, and managed. The contractee may install practices or subcontract work out to a subcontractor. Whatever method is used, the contractee shall be responsible to ensure that the quality of materials and workmanship in the installation of practices meets the approved standards and specifications for each practice. (4-1-94)

01. Practice Completion. Upon completion of the scheduled practice the contractee shall notify the SCD and the provider of technical assistance. And the provider of technical assistance shall inspect and document the amount and extent of the installed practice and certify its completion if it meets the quality standards and construction specifications of the practice and notify the SCD and contractee. If the practice does not meet practice standards and specifications the contractee and the SCD shall be notified by the provider of technical assistance, in writing, of the

deficiencies and what needs to be done so the practice shall meet standards and specifications. (4-1-94)

02. Submitting Vouchers and Bills. When practices are certified complete by the provider of technical assistance, the contractee must submit to the Commission signed vouchers and bills along with the certification of completion report. (9-9-86)

03. Warrant Requests. The Commission staff shall prepare warrant request(s) made out to the contractee(s) and the vendor and mail it to the contractee. (4-1-94)

04. Drawing Loan Funds. The contractee shall implement the practices as scheduled and upon certification may draw on the loan funds throughout the life of the loan contract. (9-9-86)

104. -- 125. (RESERVED).

126. REPAYMENT OF LOAN.

01. Repayment of the Loan. Repayment of the loan, together with interest, shall commence no later than two (2) full years from the date the note is signed. (4-1-94)

02. Repayment Schedule. The repayment schedule shall be identified in the loan documents with a fifteen (15) year maximum loan period. One month before payment is due, the commission will mail the contractee a notice of payment due. (4-1-94)

127. -- 150. (RESERVED).

151. LOAN POLICIES.

01. The Maximum Amount of Any One Loan. The maximum amount of any one loan shall be fifty thousand dollars (\$50,000) or an amount whereby the applicant does not have a program loan liability in excess of fifty thousand dollars (\$50,000). (4-1-94)

02. Use of Loan Money in Conjunction With State or Federal Programs. Requests for state or federal cost-share assistance and for loan approval are handled by different governmental agencies and approval for one does not guarantee approval for the other. (4-1-94)

152. APPLICATION FOR GRANT.

01. How to Apply. Any applicant desiring a grant from the account for the purpose of financing project costs for improving rangeland and riparian areas must apply through the local Soil Conservation District. (4-1-94)

02. Application Form. The application shall be on a form prescribed by the Commission and must include: (4-1-94)

a. Name and address of the applicant. (4-1-94)

b. A description of the rangeland and riparian area problem that the project shall address. (4-1-94)

c. The practices to be installed. (4-1-94)

d. Statement of the applicants objectives and expected benefits. (4-1-94)

e. Statement on the kind and amount of match that will be provided. (4-1-94)

f. A statement whereby the applicant agrees to properly maintain the installed practice(s). (4-1-94)

g. Applicant's statement of willingness to allow continued monitoring and evaluation of the impacts resulting from applied practice(s). (4-1-94)

- h. A copy of the rangeland and riparian area improvement plan which shall include: (4-1-94)
- i. A map showing the project location. (4-1-94)
- ii. The practice(s) to be installed. (4-1-94)
- iii. Estimated costs for installing the practice(s). (4-1-94)
- iv. An implementation schedule. (4-1-94)
- 03. Presenting the Application. The completed application must be presented by the applicant (or representative) to the local SCD Board at a scheduled meeting. (4-1-94)

153. GRANT AGREEMENT.

- 01. Grant Conditions. If the grant is approved a grant agreement shall be prepared specifying conditions of the grant. (4-1-94)
- 02. Fund Obligation. Funds shall be obligated when the grant agreement is signed by the applicant. The applicant now becomes the grantee and may proceed with implementation of the rangeland and riparian area improvement plan. (4-1-94)

154. IMPLEMENTATION OF THE RANGELAND AND RIPARIAN AREA IMPROVEMENT PLAN WITH GRANT FUNDS.

- 01. Grantee Responsibility. The grantee has the responsibility to obtain the appropriate technical assistance to ensure that the practice(s) are properly designed, installed and managed. The grantee may install practice(s) or obtain the services of a contractor. Whatever method is used, the grantee shall be responsible to ensure that the quality of materials and workmanship in the installation of practice(s) meets approved standards and specifications for each practice. (4-1-94)
- 02. Practice Completion. After the installed practice(s) are certified complete by the provider of technical assistance, the grantee must submit a billing to the commission with the completion certification and signed vouchers and bills. (4-1-94)
 - a. The billing shall identify the matching share and the grant share of the cost of installing the practice(s). The commission shall then prepare warrant request(s) made out to the grantee and the vendor and mail it to the grantees. (4-1-94)
 - b. The warrant request(s) will be only for the grant share of installing the practice(s). (4-1-94)
- 03. Drawing Grant Funds. The grantee shall implement the practice(s) as scheduled and upon certification of completion may draw on the grant funds as specified in the grant agreement. (4-1-94)

155. GRANT POLICIES.

- 01. Maximum Amount Per Grant. The maximum amount of any one grant shall be established by the Commission. (4-1-94)
- 02. Geographic Location. The Commission shall consider project geographic location when considering grant applications in order to distribute grants throughout the State. (4-1-94)
- 03. Public Benefit. The Commission shall select the project(s) that, in their best judgment, have the greatest public benefit and impact for improving rangeland and riparian areas. (4-1-94)
- 04. Match Requirements. Match equal to or in excess of the grant amount is required. The match may

- be provided by sources other than the applicant and may include: (4-1-94)
- a. Dollars. (4-1-94)
 - b. Cost of materials. (4-1-94)
 - c. Cost of labor for installing the practice(s). (4-1-94)
 - d. Cost of equipment and machinery used for installing the practice(s). (4-1-94)
05. Match Supporting Documentation. Match for dollars and materials must be supported by signed vouchers, bills, and receipts. Match for the cost of labor and equipment and machinery must show hours and hourly rate. Hourly rates must be reasonable and consistent with local wage and custom rental rates. (4-1-94)
06. Match Not Approved. Match shall not be approved for the cost of practice(s) operation and maintenance. (4-1-94)
07. Maximum Amount Per Fiscal Year. The maximum amount of funds the Commission can approve for grants per fiscal year shall be established by the Commission. (4-1-94)
- 156. -- 999. (RESERVED).**