UTAH CONSERVATION COMMISSION

Quarterly Meeting - Minutes

4315 S 2700 W Room 2507, Taylorsville, UT

Tuesday, March 3, 2026,1:00 pm

ATTENDANCE:

Appointed Conservation District (CD) Supervisors
UCC Voting Members:
Todd Arbon, *Zone 2*
Bruce Christenson, *Zone 4*
Sam Larson, *Zone 5*
Bill Butcher, *Zone 7*
Bryan Smith, Zone 6 – via video
Kevin Bailey, *Pres. Utah Weed Supervisors Assoc. via video*

Conservation Commission Members (absent)
Joel Ferry, *Utah Department of Natural Resources*
Kim Evans, *Zone 3*
Justen Smith, *USU Extension*
Candice Hasenyager, *Utah Div. Water Quality*
Kelly Pehrson, *UDAF Commissioner*
Terry Spackman, *Zone 1*

Conservation Members
Mike Larson, *UACD President via video*

Conservation Partners Representatives
Kristy Davis, *Utah Association of Conservation Districts (UACD) via video*
Catherine Magee, *NRCS via video*

Department of Agriculture and Food Staff:
Jim Bowcutt, *Director, Conservation*
Cathy Christensen, *Admin. Assistant Conservation*
Jace Farnsworth, *Deputy Director, Conservation*
Sarah Clancy, *Agriculture Resource Development Loan Program (ARDL), Manager*
Tracy Balch, *Agriculture Resource Development Loan Program (ARDL), Loan Specialist via video*
Katie Ottmann, *AgVIP* *Program Manager*
Ben Law, *Resource Coordinator*
Daniel Gunnell, *Resource Coordinator via video*
Darrell Gillman, *Resource Coordinator* via video
Camille Knudson, *Policy Analyst, UDAF*
Ryan Jones, *Resource coordinator* via video
Tony Richards, *UDAF Water Optimization Program Mgr.*
JP Contreras, *Resource Coordinator via video*
Allen Hua, *Agriculture Resource Development Program (ARDL) Loan Specialist* via video
Brian Christensen, *Water Optimization Asst Manager*
Sean Trease, *Agriculture Resource Development Loan Program (ARDL) Loan Specialist*
Stan Pinegar, *Asst Attorney, Utah Attorney General Office*
Sherie Edginton, *Grant Manager, Water Optimization*

SUMMARY OF COMMISSION ACTION

1. Meeting Commencement. Welcome to the Utah Conservation Commission meeting. This is March 3, 3036. We're in Taylorsville Utah. My name is Jim Bowcutt. I've been asked by Commissioner Pehrson to run this meeting.
2. **Approval of meeting minutes (action item)** – Jim Bowcutt, Director Conservation
Our first action item on the agenda is approval of our minutes from November 4, 2025, and the ARDL Loan Video meeting on January 14, 2026. Does anybody have any changes to the minutes for these meetings? **A motion to approve the minutes was called by Sam Larson, seconded by Todd Arbon and approved unanimously with a roll-call vote.**

3. Legislative Update – Camille Knudson, UDAF Policy Analyst
We are tracking nearly 130 bills related to Utah Department of Agriculture and Food (UDAF) this session. Twenty-one percent of these bills are related to water and approximately 16% are related to land.

    - House Bill 348 is the Senate Bill dedicated to water. This relates to split seasons and makes that possible through the application process.
    - House Bill 410 is the Water Leasing Bill. We have been working with the Great Salt Lake Commissioner's Office since last summer. This bill has a fiscal note of $5 million, so that is slowing the process. The Great Salt Lake Commission Officer is negotiating leasing water for producers in this watershed. It will be a set amount per acre. Right now, we don't anticipate any issues with the bill.
    - The Colorado River received ongoing funding in the budget this year.
    - Other bills are related to water or land access although most of them do not impact UDAF directly. We are monitoring them.
    - The Executive Appropriations Committee released their budget proposals. Water Optimization has been reduced by $12 million; Ag VIP didn't receive any funding which is very different from the governor's budget. Two million was anticipated for that program. LeRay Mcallister has lost $150,000. Hopefully, some of this money will come back to these programs.
    - House Bill 451would allocate funds toward purchasing farmland. There is limited funding available so it has been put to the side for now and anticipate it will be brought back next year.
    - House Bill 490 changes reporting requirements for water optimization. The bill sponsor has already talked to Division of Water Rights to still implement this study and change reporting requirements without creating another bill.
    - House Bill 66 is the Soil Health Program Amendments. It has been extended for another ten years and has already passed and has the governor's signature.
    - Our cleanup bill is processed every year, mostly involving technical changes. It does impact our loans, putting a 10% cap on disaster relief funds in statute. It includes conservation district board member replacement if a board member is not attending meetings or participating as they should. The UDAF Commissioner has the option to

remove a board member, with cause, if the UCC members approve it first. This has already passed and is waiting for the governor's signature.

- The rural Health Transformation Program is a large grant the Division of Health and Human Services is receiving, which will allocate $11million to UDAF for food security.
- Senate Resolution for Agri-hoods is the integration of agriculture into our neighborhoods. This has passed and is waiting for the governor's signature.

4. **Ag VIP/Soil Health Rule R64-6 (action item)**– Katie Ottmann, Soil Conservation Program Manager

Although they changes have been presented before, they need UCC approval.

A building block request for Ag VIP for $1 million ongoing, was submitted this year. It is currently not listed on the proposed budget although it could change by the end of the session. Plans are in place to have a smaller application period if it is not funded. A small amount of funds is available from prior applications so that can be utilized.

The Soil Health program had its sunset date extended to the year 2036.

The policy rule was last presented at the November UCC meeting although the actual language was not included. The Ag VIP will be moved under the Soil Health Program umbrella, and the policy changes are included in the packet today. Implementing the program will not change. The title changes from Ag Vip to Utah Soil Health Grant Program.

The focus moves from nutrient management specifically to general soil health and other resource concerns including nutrient management. The oversight body name changed from the Ag VIP Advisory Board to the Soil Health Advisory Committee.

Plan requirements continue to have a Conservation Management Plan (CMP) within 12 months. It must also specify a conservation plan that includes a nutrient management plan. This can include research projects, outreach and grant programs, including other activities.

Soil health practices will be implemented with Ag Vip and nutrient management. The Soil Health Code grants this authority through our ability to offer grants.

A motion to approve the new version of Rulle 64-6 was made by Bruce Christenson, seconded by Todd Arbon. A roll call vote was taken, and all were in favor. The motion was approved unanimously.

We are developing a landing page through the UDAF website to assist with local, county and district inquiries. It will offer information regarding equipment grants, conferences, field assessments, program enrollments, local contact information, and more.

A final program note: The prior year contracts totaling $1.5 million are being rolled out in additional 45,000 acres. The annual 2025 record keeping payment was just under $400,000 and it is sent out.

The next Soil Health application cycle will likely be in April or May. The ranking criteria and updated application should be shared at the next meeting. Only minor changes are expected.

The 2026 Soil Health in the West Conference was a great success. The next conference will be in 2028. The exact date will be shared later.

This year will be the final field season for the CIG on-farm health trial study being conducted with UAC and USU. Next year, we should have some good data to share.

A new grant opportunity is coming later this year. Local conservation districts can hold soil health education events in their area in the non-conference years, opposite of the Soil Health in the West years. We have approximately $30,000 state-wide, available for that. This will be available in the next six to twelve months.

We have in-field soil health assessment applications reopening soon. This is to provide information on how to measure or assess soil health on your property. A local planner will conduct a site visit and talk about your soil health plan. We have a new request form for this process.

Soil Health has developed a dashboard to offer information on equipment and local contact information. The equipment manager will not be added as that information changes frequently. The Resource Coordinator will be the contact name who will direct you to the right local contact for equipment information.

5. **Water Optimization Rule R64-4 (action item)** – Tony Richards

An historical update for the Water Optimization Program spanning from 2019 through the end of 2025. The program has seen high demand, receiving over 1,577 applications throughout its lifespan.

Historically, over $276 million was originally obligated to the program, although some funding was pulled back or reallocated. Over $150 million was successfully obligated, funding a total of 693 projects (152 canal projects and 541 on-farm projects).

While $125 million was remaining at the end of 2025, the current accessible balance is closer to $76 million due to the remaining allocation being held in a restricted account.

Through the end of 2025 $62 million has been paid out. 293 projects have been completed. 40,000 acre-feet of water is saved annually via diversion reductions.

The committee reviewed specific metrics for the 2025 funding cycle. The program received 453 applications totaling just under $80 million in requested funding, ultimately allowing the department to fund roughly half of the requested amount.

The breakdown is as follows: Total funded – 165 projects approved for just under $40 million. Canals – 37 projects funded (approximately $20 million). On-farm – 128 projects funded (approximately $20 million).

2025 Application vs. Funding Table:

Project Type	Applications Received	Projects Funded	Approximate Funding Allocation
Canal Projects	59	37	~$20 Million
On-Farm Projects	394	128	~$20 Million
Total	**453**	**165**	**~$40 Million**

The majority of the funded on-farm projects consist of pivots and pipe conveyances. The following terminology was defined regarding pivot irrigation technologies utilized in the program:

LES (Low Elevation Surface/Spray Application): Pivots utilizing drops positioned low to the ground.
MES (Mid Elevation Surface/Spray Application): Pivots utilizing mid-height drops.
LEPA (Low Energy Precision Application): Precision setups featuring a higher density of drops per span positioned very close to the ground.

The state does not hold contracts with suppliers. Because agricultural producers are the direct grant holders and end beneficiaries, the responsibility falls on each producer to secure the best pricing. This approach ensures producers retain the flexibility to choose their preferred suppliers and tailored equipment solutions without state interference.

The committee will be responsible for the review and approval process for the upcoming funding round. Review of recent changes made to the program application will be covered in an upcoming meeting.

Several updates were implemented during the latest application cycle to control costs, mitigate unnatural price inflation, and improve project quality while preserving producer flexibility.

A grant cap of $2,000 per acre was established. This allows for total project costs of up to $4,000 per acre under the matching structure.

Applicants are required to submit two competitive bids. This significantly improved project quality. Notably, a project resubmitted from the previous year saw a price reduction of $20,000 due to increased supplier competition.

Projects requesting direct, identical replacements (e.g., replacing an old wheel line with a new wheel line, or maintaining a MESA pivot without modifications) were deemed ineligible. To qualify, systems must implement an efficiency upgrade (e.g., lowering nozzles to a low-elevation system).

We have launched the Water Opt dashboard, accessible live at ag.utah.gov/waterop. The dashboard automatically updates every 15 minutes. The dashboard shows that approximately 14m000 hours of labors savings across 113 reporting projects. Yield tracking indicates an average increase in income of ~$450 per acre-foot of applied water (a 249% increase in efficiency value).

Water meters are now mandatory for all completed projects to ensure rigorous data collection.

The program is yielding a 3:1 return on investment, meaning every $1 of state funding translates to $3 of total project value implemented on the ground.

Funding Source	**Contribution Amount**	**Percentage of Total**
State (UDAF)	$54 Million	~34.6%
Partners	$54 Million	~34.6%
Farmers/Producers	$46 Million	~29.5%
Total Completed On-Ground Cost	**$156 Million**	**100%**

Total water saved now stand at 125,000 acre-feet annually. The majority of savings are generated by canal projects via piping open ditches, resolving seepage, and eliminating leaks. Saved water either continues downstream to benefit secondary water rights holders or returns to natural waterways (including the Great Salt Lake and the Colorado River). Highly efficient systems also enable producers to participate in water leasing programs, such as the VRPP.

It was clarified that Tooele and Juab counties are predominantly cattle country rather than irrigated agriculture, which explains the lower application volumes.

A survey was conducted over the past year to identify the localized best management practices. The long-term goal (estimated to take a couple of years to implement) is to shift toward a regional ranking system so projects compete against similar geographic areas rather than the entire state.

While smaller scale farms face higher per-acre costs, many small farms have successfully secured funding by adopting high-efficiency setups like drip irrigation. The department previously proposed a dedicated small-farm funding pool; though unfunded in the past, staff remains open to splitting future funds if the committee supports it.

The metric breakout for the application cycle that just concluded is as follows:

On-farm applications: 249 applications received, totaling ~$22.5 million in requests.

Canal applications: 41 applications received, totaling ~$18 million in requests.

The program is governed by a dedicated review committee established under Senate Bill 277. This body reviews and ranks applications before bringing them to the current committee for approval.

Demand consistently outpaces capacity. The program is capped by both finite funds and a limited statewide staff of six personnel responsible for contract management and mandatory site inspections. Unfunded applicants are strongly encouraged to reapply and work on ranking enhancements, such as installing pre-project meters.

The applicant window is open annually from January 1st to the end of February. Regional planners regularly attend local district meetings to guide producers through the application process.

Water Optimization Program Policy & Rule Changes:
The primary objective of these changes is to align with the Governor's regulatory cleanup initiative to eliminate redundancies, clarify language, and adapt the policy to current state funding structures.

ARPA Tracking: Because the program has transitioned out of the federal American Rescue Olan Act (ARPA) phase, the mandatory water quality tracking previously required by the federal government has been officially removed from the policy. It is not a requirement for project utilizing state funding.

Water Consultation: The requirement to hold a formal water consultation meeting with the State Engineer/Division of Water Rights is no longer mandatory for the upcoming years and has been removed from the policy guidelines.

A motion to accept the presented policy modifications was called by Sam Larson and seconded by Todd Arbon. A roll call vote was taken, and the modifications were approved unanimously.

6. ARDL Report - Sarah Clancy, Program Manager

The committee reviewed the newly redesigned financial report format created by the marketing team. As of the meeting date, the data reflects financial standings through January 2026, representing approximately 58% of the fiscal year completed. The percentage of the budget is tracking well against total payments received. Expenditures for payroll benefits, office, travel, and administrative expenses are currently tracking slightly lower than budgeted projections. The actual cash balance at the end of January 2026 was $32,813,658.

Program funds are held in an interest-bearing account. Bank interest earned from feeds back into the main (ARDL) account.

A total of $5 million remains earmarked for the Emergency Water Shortage Subprogram. This fund was established via legislative appropriation two years ago and has not yet been drawn upon.

An interrupted user may apply for a loan from the Commission if that user's water is used by a preferential user during a temporary water shortage declared by the governor under Section 73-3d-201. Funds will compensate the interrupted user while that user waits for compensation from the preferential user. The loan limit is $150,000.

Dedicated grant funds remain set aside for the Ag VIP program.

The net cash balance stands at just over $23 million. There are currently 29 pending loan applications totaling $4.8 million. If 100% of these pending applications are funded, the remaining cash asset balance will be approximately $18 million.

Statistics related to active loan portfolios and collections through January 2026 are as follows:

Metric	**Status / Quantity**	**Details**
Closed/Funded Loans	19 Loans	Successfully closed within the current fiscal year
Paid-In-Full Loans	16 Borrowers	Portfolios completely paid off through January
Active Loan Portfolio	325 Active Loans	Combined total across ARDL and Emergency Disaster portfolios
Active Principal Balance	~$29 Million	Total outstanding principal currently deployed
Delinquency Rate	~4.5%	Average monthly delinquency across combined programs

Total Asset Value: The combined value of cash, interest receivables, and short/long-term loans receivable stands at $63,039,628, demonstrating modest, steady growth over time.

The increase in cash value seen in FY24 reflects a one-time legislative appropriation. Staff noted that the legislature expects the fund to revolve and be self-sustaining.

Per the regulatory cleanup bill, outstanding Emergency Disaster Loans may not exceed 10% of the total fund balance (including outstanding loans issued). Currently, outstanding emergency disaster balances sit at approximately $3 million.

Staff recommended maintaining a minimum cash threshold of $10 million (approx. 15% of the total asset fund) as a benchmark. If cash reserves drop to this level, the committee should exercise heightened caution regarding new loan approvals.

The committee clarified the administrative timeline for securing collateral on approved loans:

- Pre-Approval**:** The underwriting process evaluates the viability and structure of an applicant's proposed collateral plan prior to the board presentation.
- Post-Approval: Official legal actions to secure collateral (including title company filings and final loan document signings) occur *after* formal approval by the Commission.
- Collateral Exceptions: Hard collateral is required for all programs except Emergency Disaster Loans. Irrigation companies are also exempt from physical collateral requirements; instead, they submit comprehensive business and financial documentation verifying their legal authority to levy fees or bill stockholders/members to fulfill the debt.

ARDL Loan Proposals - (action item)

Loan Proposal #1:

This application is for a location in Zone 5, Kane County. The application successfully met the October 2025 deadline. The request stems from the April 24, 2025, Drought Declaration. Due to a drought-induced feed shortage, the applicant incurred extra costs to transport and maintain calves at a commercial feedlot. The loan will cover these transportation and feeding expenses.
Loan Terms Summary:

Parameter	**Detail**
Loan Amount	$100,000
Administrative Fee	$0 (Waived for Emergency Disaster loans)
Interest Rate	0% for the first two (2) years; 2.75% thereafter
Term	7 years
Annual Payment	$15,123
Security/Collateral	None required
Primary Repayment Source	Proceeds from livestock sales

The borrower is in a robust financial position, with total assets significantly outweighing existing liabilities. Current operational cash flows are fully sufficient to cover all existing obligations in addition to the proposed $15,123 annual loan payment. The applicant has an established track record of excellent credit and responsible financial management, representing minimal default risk to the state.

Staff confirmed that under Emergency Disaster rules, administrative fees are waived and the rate remains 0% for the first two years, followed by 2.75%.

It was noted that while regular ARDL interest rates were raised to 4% on September 30th, the Emergency Disaster Relief subprogram rate remains insulated from that increase and holds at the 2.75% baseline rate after the interest-free period.

A motion to approve was presented by Sam Larson and seconded by Bill Butcher. A roll call vote was taken and Loan proposal 1 was unanimously approved.

Loan Proposal #2:

This application is for a location in Zone 5, Beaver County. It is submitted under the ARDL program, designed in conjunction with the NRCS EQIP (Environmental Quality Incentives Program). Funding will be utilized for an irrigation well, pipeline installation, pond improvements, and rotational grazing fencing to directly address localized natural resource concerns. Because this application was officially received prior to the September 30, 2025, policy deadline, it was grandfathered into the program's previous interest rate tier.

Parameter	**Detail**
Base Loan Amount	$214,767
Administrative Fee (1%)	$2,148 *(includes minor rounding)*
Total Loan Amount	**$216,915**
Interest Rate	2.75%
Term	15 years
Annual Payment	$17,843
Primary Repayment Sources	Crop sales, livestock sales, and personal income

The proposed loan is fully secured by water assets, meeting the department's collateral guidelines. Collateral is 46 shares of Manderfield Irrigation Company water stock. Valued at $7,692 per share, bringing the total collateral asset value to $353,832.

Loan-to-Value (LTV) Ratio: 61%, representing a safe leverage profile for the program.

The applicant is classified as a highly reliable borrower with an established, successful track record of managing diverse agricultural operations.

The operation shows steady revenue growth. Furthermore, the applicant is on track to completely pay off four existing loans in the near future, which will significantly free up future cash flow and maximize their debt service coverage ratio.

The applicant carries zero personal debt, and their stable income streams position them exceptionally well for consistent repayment.

Loan staff officially recommends approval of this loan by the Commission.

A motion was presented by Todd Arbon to approve this application, seconded by Sam Larson. A roll call vote was taken, and it was unanimously approved.

Loan Proposal #3:

This application is for a location in Zone 5, Garfield County. Funding is requested to replace existing irrigation lines with a new center pivot system to address ongoing water resource concerns. The application was received prior to the September 30th 2025, deadline cutoff, qualifying it for a 3% interest rate based on the requested amount.

Parameter	**Detail**
Base Project Amount	$68,000
Administrative Fee (1%)	$680
Total Loan Amount	**$68,680**
Interest Rate	3%
Term	15 years
Annual Payment	$5,754
Primary Repayment Source	Farmland and pastureland lease income

The applicant is in an exceptionally strong financial position with a healthy balance sheet, high liquidity, and zero personal or agricultural debt. The revenue generated from existing operations far exceeds the cash flow required to comfortably service the proposed $5,754 annual payment.

Loan staff requested a formal policy exception regarding the Loan-to-Value (LTV) ratio for this application. Three shares of New Escalante Irrigation Company water stock (valued at $14,000 per share = $42,000). The center pivot system itself (valued at $49,787). Total Security Value at $91,787. LTV Ratio: 74.82% (This exceeds the standard internal policy cap of 70%).

Loan staff strongly recommend approving this policy variance due to several mitigating factors:

- A third-party valuation opinion indicates that New Escalante Irrigation Company water stock shares are projected to continue increasing in value through 2026.
- The total loan amount is relatively low, limiting the state's financial exposure.
- The borrower possesses extreme financial stability, which heavily counterbalances the higher LTV ratio.

The program rarely waives the LTV cap (recalling only one prior instance where a loan reached 71%) and inquired whether a special procedural motion or separate vote was required to authorize the 74.82% LTV variance. Staff clarified that a separate motion is unnecessary. The Utah Conservation Commission (UCC) holds the ultimate authority to grant exceptions. The variance can be seamlessly handled by structuring the main motion to explicitly approve the loan *with the included exception* to go up to 74.82% LTV. Staff noted they would not present or support the exception if they felt the collection risk was unacceptable.

A motion was made by Todd Arbon and seconded by Sam Larson to approve this proposal and the exception of the LTV of 74.82%. A roll call vote was taken and was approved unanimously.

Loan Proposal #4:

Proposal 4 is Zone 6, Uintah County. This is in conjunction with Ag Water Optimization, and it is for replacing the lines with two center pivots to address water resource concerns. This application reflects the current program interest rate tier of 4%.

Parameter	**Detail**
Base Loan Amount	$100,316
Administrative Fee (1%)	$1,004
Total Loan Amount	**$101,320**
Interest Rate	4%
Term	15 years
Annual Payment	$9,113

The proposed loan is exceptionally well-collateralized, presenting a negligible risk profile regarding asset coverage. First lien position on 450 acres of farmland. Valued at $2,753,331 based on official Uintah County tax records. Loan-to-Value (LTV) Ratio: 4%, which represents an extremely secure, low-exposure leverage profile for the department. Primary Repayment Sources are crop sales and personal income. The borrower maintains a steady, reliable income stream that comfortably supports the proposed debt service. This is backed by a strong credit profile and a solid asset base that reflects a consistent history of responsible financial management.

Loan staff officially recommends approval of this loan by the Commission.

A motion was made by Sam Larson and seconded by Bruce Christenson. A roll call vote was taken and this proposal was approved unanimously.

Loan Proposal #5:

Proposal five is from Zone 1, Cache County, and it is in conjunction with Ag Water Optimization, and is for installation of a drip system to address water resource concerns. This is also in conjunction with NRCS EQIP. This application reflects the current program interest rate tier of 4%.

Parameter	Detail
Base Loan Amount	$51,732
Administrative Fee (1%)	$518
Total Loan Amount	**$52,250**
Interest Rate	4%
Term	15 years
Annual Payment	$4,700

Primary Repayment Sources are livestock sales, crop sales, and personal income. The applicant maintains a solid credit history and a consistent record of on-time payments. Backed by multiple property assets and sufficient income to comfortably cover the required debt service, the borrower demonstrates excellent stability and repayment capacity.

Loan staff recommends approval of this loan by the Commission.

A motion was made by Bill Butcher and seconded by Sam Larson. A roll call vote was taken, and the proposal was unanimously approved.

Loan Proposal #6:

This application is for a project in Zone 1, Cache County. This project is being developed in conjunction with NRCS EQIP (Environmental Quality Incentives Program) funds. Funding will be utilized to remove existing free stalls and install additional solid waste storage, liquid storage, and a covered structure. The project explicitly aims to address critical waste and environmental runoff management concerns on the operation. Because the application was received prior to the September 30th deadline, it qualifies for the previous program rate tier.

Meeting Minutes: ARDL Loan Review (Proposal Six Continued)

1. Financial and Loan Terms Summary (Proposal Six)

The committee reviewed the financial terms for Proposal Six (Cache County – Zone 1). Because the application was received prior to the September 30th deadline, it qualifies for the previous program rate tier.

Parameter	**Detail**
Base ARDL Loan Amount	$735,000
Administrative Fee (1%)	$7,350
Total Loan Amount	**$742,350**
Interest Rate	2.75%
Term	15 years
Annual Payment	$61,066

Loan staff requested a minor policy exception regarding the Loan-to-Value (LTV) ratio for this application.

Loan-to-Value (LTV) Ratio is 70.70% (This slightly exceeds the standard internal policy cap of 70%). Due to the fractional nature of the variance (0.70% over policy) and the exceptional financial strength of the applicant, loan staff recommends approving this minor policy exception. The underwriting evaluation indicates a highly reliable credit profile and strong repayment capacity. Primary Repayment Sources are from livestock sales and non-farming income. The applicants are full-time farmers with a strong credit profile and a proven track record of successfully repaying both general debt and prior UDAF loans. The combined revenue generated from livestock sales and reliable non-farm income streams is fully sufficient to comfortably cover the required $61,066 annual loan payments.

Loan staff officially recommends approval of this loan inclusive of the 70.70% LTV policy exception.

A motion was made by Todd Arbon and seconded by Sam Larson. A roll call vote was taken, and the proposal was unanimously approved.

The committee reviewed proposed revisions to the administrative rule governing the loan programs. The primary intent of these amendments is to enhance clarity, improve readability, and ensure strict alignment with the Utah Rule Writing Manual.

Rule R64-1 Proposed Changes – (action item)

Several sections have been restructured using clear enumerations to allow for better scanability and organizational logic.

The overall language of the rule has been updated to the active voice to conform with state rule-writing standards.

Redundant program objective information has been removed and eliminated a structurally redundant statutory subsection.

All terminology and monetary references throughout the text have been updated to align with the revised definitions under standard manual guidelines.

The definition section was cleaned up by removing redundant entries and introducing new terms to clarify program operations.

The renaming of the role of "Program Staff Administrator" to ARDL Program Manager to better reflect the responsibilities of the position.

Amended the text to explicitly clarify the statutory bases for the Conservation District (CD) Board and the UCC Subcommittee Loan Advisory Board.

A procedural question was raised regarding the timeline for the proposed rule changes and the handling of subsequent public feedback following committee approval.

- Filing Timeline: Staff confirmed that the rule amendments will be formally filed with the Department of Administrative Rules on the day following the meeting.
- Public Comment Window: The official public comment period is scheduled to run from April 1, 2026, through May 1, 2026.
- Public Hearing Trigger: In response to committee curiosity regarding potential opposition received after a vote of approval, staff clarified the statutory threshold: if the department receives more than ten (10) public comments during the open window, a formal public hearing will automatically be triggered to address the feedback.

A motion was made by Sam Larson and seconded by Todd Arbon. A roll call vote was taken, and the rule changes were unanimously approved.

Rule R64-5 Proposed Changes – (action item)

An administrative rule governing the Temporary Water Shortage Emergency Loan Program. The department is formally filing this administrative update as a repeal and reenact measure. Per rulemaking guidelines, a repeal and reenact filing is required because the revisions necessary to eliminate statutory redundancies affect more than 50% of the existing rule's text. Much of the previous rule's language directly duplicated wording already established in the actual state legal code. The new filing strips out these redundancies to ensure a cleaner, more efficient regulatory document.

- Removed unnecessary or duplicative definitions.
- Clarified core applicant eligibility requirements.
- Streamlined the formal text outlining the procedures for program applications, loan administration, and repayment protocols.

The repeal and reenact paperwork will be submitted to the Department of Administrative Rules for processing and tracking alongside the other "Clear the Rules" initiatives.

A motion was made by Sam Larson and seconded by Todd Arbon. A roll call vote was taken, and the rule changes were unanimously approved.

7. Zone 4 – UCC Tour and Meeting – Jace Farnsworth, Deputy Director, Conservation

The committee discussed holding the upcoming summer meeting and tour as a single-day event. The proposed date is June 2, 2026. The goal of condensing the schedule is to increase overall attendance and participation once the itinerary is finalized. Agendas will be distributed as soon as the tour logistics are locked in.

The primary location for the tour is the Redmond Mineral Salt Mine.

The mine features an active, working fodder system. Because the ARDL program now funds these systems, this site provides an excellent opportunity for committee members to observe a system in operation and understand how it supports a dairy operation, including nutritional upkeep.

The location also features chicken tractors and integrated farming setups. The tour will include educational discussions on livestock nutrition, specifically detailing how their salt products can optimize grazing and cattle health. Canal projects located in Gunnison and possibly localized soil health projects.

The meeting will be limited to ARDL proposals and necessary action items.

8. Adjourn

A motion to adjourn the meeting was made by Sam Larson and seconded by Bruce Christenson. All voted in favor. The meeting was adjourned at 2:50 pm.