

2025 NRD Washington, D.C., Conference

March 31 to April 2, 2025

SPEAKER NOTES

Water Strategies

Kris Polly, President of Water Strategies LLC.; Drake Wood, Senior Legislative Assistant; Lane Simpson, Legislative Staff provided updates on the Bureau of Reclamation, appropriations and the reconciliation process, Farm Bill and WOTUS.

Grants from the Bureau of Reclamation

Federal government spending is under increased scrutiny, which is a positive step toward ensuring that funds are allocated properly. The Bureau of Reclamation has requested letters of support as part of their budget review. Initially, they faced a 40% spending cut, but now the reduction is projected to be only 10-15%, still impacting 500-800 jobs. Water Strategies has submitted a letter of support to advocate for the preservation of mission-critical activities and to help the Bureau avoid the deeper cuts.

Drake Wood

Administrative Changes at the Bureau

Staffing issues aren't limited to the Bureau of Reclamation but also extend to the Department of Agriculture. Slow progress is being made. USDA is focused on securing approval for a bird flu vaccine.

FY 25-26 Appropriations

Congress passed a Continuing Resolution (CR) to fund the government through September 2025, maintaining funding at 2024 levels. Work on FY 26 appropriations is already underway, with Congress gathering testimony on which programs are effective.

Farm Bill

The Farm Bill is likely to be extended through September 2025 rather than introducing a new version due to other priorities. Expect it to be an extension of the 2018 Farm Bill.

Reconciliation

A reconciliation bill will likely be focused on tax changes. There's consideration of moving the \$20B in IRA climate funding to the conservation title of the Farm Bill. Payments to farmers are expected to begin hitting NRCS offices in the coming week or so.

Lane Simpson provided an update on WOTUS (Waters of the U.S.):

The EPA has announced final listening sessions for WOTUS over the next 90 days.

HR 1897 – ESA Amendment Act of 2025

This bill aims to strengthen state involvement and streamline the permitting process. Republicans supported the bill but criticized it for not sufficiently protecting endangered species. With current funding cuts, the ESA's effectiveness is a concern. There's ongoing discussion about how to strengthen permitting processes while balancing conservation efforts.

Kris Polly

Colorado River Issues

The seven Upper Basin states are currently not in discussion, and Senator Lee is pushing for a pipeline that would transfer water from the Upper Basin to the Lower Basin. Nebraska is fortunate not to rely on the Colorado River, as this transfer would create challenges for states with senior water rights.

First in time, first in right: If water is diverted to the Lower Basin, it will reduce availability for those with senior water rights in the Upper Basin.

Pipeline from Missouri to Colorado

There has been discussion about a pipeline to move floodwater from the Missouri River to Colorado, aiming to restore groundwater. The focus is on keeping the project within state lines and ensuring the water is used for restoration purposes. This approach might help get the project approved.

Ritch Duesterhaus, NACD

One key reason for attending DC is the turnover in Congress. It's crucial to educate new members of Congress about agriculture, natural resources, and conservation, as many of them don't have a background in these areas.

There are three main approaches for connecting with Congress:

1. Zoom meetings have made it easier to meet with congressmembers for quick 15-minute discussions.
2. The most effective way to educate legislators is to show them what's happening in your district and how these issues directly affect your community.
3. The Nebraska Breakfast on Wednesday mornings provides a great opportunity for face-to-face meetings and discussions.

NACD and NRDs Policy Alignment:

NACD (National Association of Conservation Districts) and NRDs (Natural Resource Districts) are aligned in their policy efforts. Weekly updates are provided on issues that impact farming, ranching, and conservation.

New Administration and Key Updates:

Secretary Rollins is new to the administration and could benefit from more information on conservation issues. Updates have been provided on the new administration's approach to agencies like NRCS (Natural Resources Conservation Service) and their confirmation process. NACD has been in discussions with USDA, NRCS, EPA, and other agencies regarding budget cuts.

Farm Bill Update:

The agenda on the Hill is very busy, so passing a standalone farm bill is unlikely. However, we are optimistic that the farm bill can be incorporated into the reconciliation bill. If the farm bill is extended through appropriations, there's potential to secure more than one year's funding. There is bipartisan support for retaining the remaining \$20B for the farm bill, especially to fund conservation programs.

Connor Simons' Overview:

Connor Simons provided us with five papers, with three main topics to focus on for our meetings on the Hill:

1. **Appropriations & Budget Reconciliation:** We are requesting \$1.2B for conservation operations, which is consistent with our previous asks. The current budget allocation is \$900M, but the Conservation Operations account is at risk of being zeroed out. This funding is critical for providing technical assistance—the support needed to implement conservation practices after contracts are signed. Congress often doesn't fully understand how conservation work is carried out on the ground, and technical assistance is a key part of that process. While \$1.2B is a

large figure, it's essential for improving efficiency and effectiveness in conservation work.

2. **Farm Bill:** We're waiting for budget reconciliation to move forward, and we're hopeful that major roadblocks will be resolved. While most of the farm bill funding goes toward SNAP (Supplemental Nutrition Assistance Program), securing funding for conservation would be a significant win.
3. **Effects of Executive Action:** We're also addressing how executive orders are impacting local districts, especially in conservation work.

Low Carbon Fuels, Jonathon Lehman

Increasing Ethanol Demand:

Ethanol demand has seen growth over time, but in the last five years, it has largely plateaued. We are now producing more ethanol than we are consuming. The current administration is exploring ways to use tariffs to balance the trade market. We export approximately 2 billion gallons of ethanol annually, helping to absorb the excess production. Canada is the largest importer of U.S. ethanol, purchasing around 700 million gallons per year.

E15 as a Year-Round Fuel:

E15 (15% ethanol) has not been approved as a year-round fuel in all parts of the U.S. E15 is cleaner than E10 (10% ethanol) and has environmental benefits under the Clean Air Act. However, gas stations are reluctant to switch between E15 and E10 due to regulatory hurdles, which has hindered nationwide adoption. 8 states have applied for year-round E15 use, including Nebraska. The lack of uniform rules motivates refiners to advocate for a national legislative solution.

Trump Executive Order:

The National Energy Emergency Executive Order continues to support an emergency E15 waiver, signaling ongoing commitment to expanding ethanol use.

Farm Economy & Ethanol:

The farm economy is facing challenges, with a supply-demand imbalance for corn and ethanol. To address this, the EPA should increase Renewable Volume Obligations (RVOs) for 2026, with at least 17 billion gallons for conventional biofuels. This would help stimulate economic growth.

Increasing the Value of Ethanol:

Farmers and ethanol producers need new market opportunities and a tax code that provides certainty and supports economic growth potential.

1. Federal Policy: The 45Z tax credit.
2. State Policy: Encouraging state-level support for ethanol.
3. International Policy: Expanding international markets for ethanol.

The 45Z tax credit offers a tech-neutral incentive for fuels with a carbon intensity (CI) of 50 kg CO₂e/MMBtu or less. The USDA has issued an interim rule to leverage their expertise in valuing the carbon intensity of ethanol produced using conservation practices.

Quantifying On-Farm Conservation Programs:

Working closely with Chief Ethanol in Nebraska, a partnership has been established to incentivize farmers in 10 states, supplying 13 ethanol facilities, to adopt climate-smart practices. Data from field-based projects has been collected to improve the understanding of conservation practices in ethanol production. A 10-state RCPP partnership has been formed to enhance the existing soil models used for clean fuel markets and to qualify for new tax credits.

Corporate Sustainability: Dan Christenson

So why does Pepsi care about agriculture? On the food side, we focus on the end-to-end value chain. We focus on the farm all the way to the store. Corn facilities in Gothenburg, Nebraska, and Sidney, Illinois. Pepsi has over 80,000 transportation assets. We'll talk about decarbonization of those assets.

Over 90% of U.S. workforce is frontline (truck driver, plant employee, merchandiser at the stores). We create 36,000+ jobs in agriculture.

Agriculture Growers: Beets, Corn, Potatoes and Wheat. West of Mississippi the corn in the chips comes from Gothenburg, Nebraska. We have director growers for corn and potatoes. Top two potato producers for Pepsi is Michigan and Wisconsin. Good chance Lays chips have been harvested within 48 hours. We also store potatoes to make chips in the winter. Pepsi is the largest single purchaser of Corn Oil in the U.S.

Sustainability program called Pep+ focusing on positive agriculture and positive value chain. Use trusted third parties to help meet the needs of their farmers (ADM, Soil and

Water Communities Fund, Practical Farmers of Iowa, Precision Conservation Management). Pepsi's Critical Support: Financial, Agronomics, and Peer-to-Peer. Pepsi funds those third parties to provide the technical assistance to farmers. All agriculture programs are voluntary and flexible, and the decision making rests with the grower. Pepsi is competitive with grant programs and tries to pool resources with others, because rising tides lift all ships.

One of the Largest Private Vehicle fleets, so focus on decarbonization -- reducing miles, improving efficiency, switching to renewable fuels, converting to zero-emissions vehicles. Have various pilot locations across the U.S. using B100 (biodiesel) in their trucks. Better performance from their B100 semis than their traditional diesel semis. Partnership with Pilot Flying J to bring B100 to the commercial markets to show other companies this is doable and scalable.

What do we do for rigid packaging (cans, bottles) and the flimsy chip bags? Recycling system in the U.S. is state-by-state. U.S. EPA provides a small part in involvement, but it is the states that drive it. Pepsi has been leaning into various states to support more recycling. The recycling collection is important because we need to get that material back in order to recreate it into a bottle again. We are looking at more non-petroleum based packing (less plastic).

New Administration causes uncertainty for everyone. For seed oil there is a lot of education we need to do with policymakers so they know that seed oils are a safe product. We are a part of USDA Climate Smart grants including Illinois PCM program that Nebraska also uses in Gothenburg. Everything is under review with new administration, but we've made the case that those should continue.

Jerry Raynor, USDA-NRCS

We are currently halfway through our fiscal year, and the IRA funding is in a holding pattern. However, we can move forward with Farm Bill funding, make payments on existing contracts, and sign new contracts. We're taking the time to explain how the programs operate, what contracts are in place, and how payments are processed.

The IRA funding has nearly doubled the amount of money allocated to states. The priority for Climate Smart initiatives (a term from the previous administration) remains in place. We're focused on communicating the purpose and need for each program. Until the new Farm Bill is passed, we will continue to advance with the current programs.

Funding levels impact staffing, operations, and facilities. Agreements are being reviewed, and some are being terminated. While the pace of change is new, this is a typical occurrence when there is a change in administration.

Efforts to streamline programs are ongoing as we assess both current and future operations.

Like buying a home, car, or land, the amount of information in front of us to review and sign can be overwhelming. The NRCS program application is no different. We're aware of information overload, so we're focused on identifying the essential facts that producers need to know to simplify the process. Streamlining processes and reducing paperwork are top priorities. We are also working diligently to unfreeze payments.

It's important to ensure that lawmakers understand how our work directly benefits producers.

Looking ahead: Since January, we've been under a hiring freeze, and Executive Orders are pushing agencies to assess staffing, with nonessential positions being eliminated. These decisions are being made above NRCS, with probationary employees previously terminated now being brought back.

We're reviewing what's necessary and what can be eliminated.

While there's no significant long-term damage to programs and conservation efforts, we will need to make adjustments. Reducing agreements and eliminating funding impacts partnerships, which is a challenge.

Two pieces of advice: 1) During times of change, be transparent and communicate in clear steps. The last thing you want is staff and partners left to wonder what's going on. 2) In times of change, remember that we will improvise, adapt, and overcome.

Cary Sifferath, US Grains Council: Agriculture Trade Policy

The U.S. Grains Council is a private organization focused on promoting the export of grain products. Their mission is to develop markets, enable trade, and improve lives. With headquarters in Washington, D.C., they operate 9 international offices.

Top Export Destinations for U.S. Corn in 2024:

1. Mexico (42% of all U.S. corn exports)
2. Japan

3. Colombia
4. China
5. Canada

Ethanol remains a key target for the Council, with about 45% of their budget dedicated to marketing ethanol. The goal is to export 2 billion gallons of ethanol, with Canada being the largest market.

Trade Policy Updates:

- **China** has imposed reciprocal tariffs on U.S. agricultural products: 15% tariffs on corn, wheat, chicken, and cotton, and 10% on sorghum, soybeans, pork, beef, dairy, fruits, vegetables, and aquatic products. They have drastically reduced corn imports by 97%.
- **Canada** is considering retaliatory tariffs on ethanol and DDGS, following a 25% tariff on U.S. auto imports. Canada may also reduce ethanol blend rates, impacting imports.
- **EU** is reinstating 2018 steel/aluminum tariffs, including a 25% tariff on U.S. corn, effective April 15 (delayed from April 1). DDGS, CGF, and soybeans are on their secondary list.
- **Mexico** remains the top market for U.S. corn and DDGS and is among the top 10 buyers of ethanol. As of now, China has not introduced tariffs on ethanol.

April 2, 2025: The U.S. will announce reciprocal tariffs, marking Liberation Day.

The Dirty 15: Previously, focus was on the largest U.S. trade deficits by partner economy, but now the U.S. is shifting its approach to target all trade partners.

Astrid Martinez, USDA-NRCS Conservation Planning and Technical Assistant Division Director

Astrid reviewed Watershed programs funding noting mandatory funds through the farm bill included \$50 million for watershed work. Funding through annual budget continuing resolution is about \$14.3 million for operations for watershed projects with multi-benefit. Funding for aging dams rehab is \$1 million. A third pot of funds through the Infrastructure Act are under pause. Congressional directed earmark funds have traditionally been about

\$20 million, but that funding was cut from the budget under the most recent continuing resolution.

Astrid reviewed the time it takes to complete watershed projects, the quickest projects can be completed in a year and half. It was discussed that Nebraska has experienced much longer times. There are currently 14,500 ongoing watershed projects, with an extensive back log due to 8 year lapse in funding which has caused delays.

Budgeting process is telling the hill how much and how extensive the need is. But grassroots efforts are necessary to educate on the need for funding.

Astrid noted she has not lost anybody on her watershed staff team. The team is working to better tell the story of the demand for watershed work across the nation. Content including photos and videos highlighting local projects would be helpful in developing materials to educate on the need to watershed work. NRDs are encouraged to share success stories and information about the need for continued projects and funding with her team. Astrid was provided with the recently completed NARD Dam Rehab and WFPO fact sheets.

Astrid discussed how her team is exploring how certified TSP's can be used to assist with watershed planning and expedite assistance.

She discussed that cultural resources have been barriers that need to continue to be addressed.

Jen Nelligan, NACD Chief Program Officer

Status of NRCS Programs:

Farm Bill Programs: There has been considerable uncertainty regarding funding and the availability of certain programs. However, when it comes to producer payments, those programs are still operational, including both new agreements and existing payments. There is still a pause on IRA (Inflation Reduction Act) funding, and any agreements that rely on IRA dollars remain on hold.

RCPP & IRA Funding: IRA funding continues to be paused, and grants and agreements are under review to determine if they align with mission goals. The *Partnership for Climate Smart Commodities* program is expected to undergo some changes. The Secretary's office is anticipated to reach out to rescope certain agreements. The Secretary's primary goal is to ensure that producers can benefit from these programs and receive assistance with

minimal barriers. There is hope that, as the importance of technical assistance is recognized, progress will be made on these programs and the associated IRA funding.

Watershed Programs: Funding for watershed programs is moving forward unless the funds are tied to the Infrastructure Investment and Jobs Act (IIJA), in which case there may be delays.

NACD Programs

NRDs primarily work with TA (Technical Assistance) Grantees. Over the past several years, we've allocated over \$2.4 million, impacting 6.5 million acres. While current TA grants have not been directly impacted, payments have slowed down. The latest round of TA grants and new MOAs (Memorandums of Agreement) are currently paused, but those payments are still being processed, and districts should soon receive draft MOAs.

TA 25 Grants: The TA 25 program was obligated in December with IRA dollars, so it is currently on pause. However, this presents an opportunity for districts to support NRCS programs. Efforts are being made to fund more than one quarter at a time to help streamline cash flow.

Climate Smart Commodities: Changes are expected for the *Climate Smart Commodities* program, with an emphasis on system-level conservation programming. Many conservation practices offer multiple benefits, and this will likely be considered as the program evolves.

USDA has not yet approved district grants for *Climate Smart Commodities*, but the review process is ongoing. The future of this program remains uncertain. It aims to develop and expand markets for commodities produced using climate-smart practices, considering more than just ecosystem benefits. While the marketing component will remain a key focus, there is hope that the MMRV (Measurement, Monitoring, Reporting, and Verification) requirements will be scaled back to allow for an expanded range of conservation practices.

Courtney Briggs, American Farm Bureau

WOTUS Overview

The Clean Water Act (CWA) aimed to regulate discharges from point sources into "navigable waters," defined as Waters of the United States (WOTUS). The Act, however, was vague in many areas, and its interpretation has shifted with each administration. The goal has been to create a federal-state partnership to protect U.S. waters.

Sackett v. EPA, May 2023

In the Sackett case, the Sackett family bought land to build a home but was issued a cease-and-desist order. The Supreme Court ruled in favor of the Sacketts, stating that the EPA could not apply the "significant nexus" test to define WOTUS. The court agreed with the Rapanos decision, which limits CWA protections to relatively permanent, standing, or flowing bodies of water like streams, oceans, rivers, and lakes.

Current WOTUS Challenges

With the new administration, efforts are underway to resolve the WOTUS issue and create a clear, lasting rule. The classification of perennial streams (regulated), ephemeral streams (likely not regulated), and intermittent streams (uncertain regulation) remains complex. A numerical flow metric might be needed, but legal challenges are anticipated.

EPA's Recent Actions

Two weeks ago, the EPA announced a public comment period to align the Biden rule with the Sackett decision. A guidance document clarifies that discrete, non-permanent features cannot be connected to claim jurisdiction over wetlands. The agencies must now develop a new regulatory definition that respects prior rulings and holds up in court.

Next Steps and Recommendations

The agencies face difficulty in defining "relatively permanent," and some experts suggest avoiding a rigid definition. It's proposed to group waters together and include exemptions (not all inclusive list) for ditches, groundwater, wastewater treatment, irrigation, and stormwater control features.

A 30-day comment period is currently underway, ending in late April. Agencies will review the feedback and aim to finalize a WOTUS rule within 9-12 months.

Under the Biden administration, the EPA is conducting an IRIS (Integrated Risk Information System) assessment to establish risk levels for certain pollutants, particularly nitrates. Work is ongoing to evaluate the risks associated with nitrates. However, there are concerns about inconsistencies in the historical IRIS process, including the lack of peer-reviewed science. Critics worry that the EPA may not use the best available science, potentially leading to lower maximum contaminant levels. This could have significant implications for the agricultural community, particularly regarding the land application of fertilizers and manures. It is crucial that the IRIS assessment is conducted accurately and based on the best scientific data due to its potential impacts. Environmental NGOs are also using the Safe Drinking Water Act to challenge the EPA's approach.

National Special Districts Association

Ann Terry & Joe Krahn, NSDA

Ann Terry, CEO of the Colorado Special District Association and Board President of the National Special Districts Association (NSDA), provided an overview of the newly formed association. She was joined by Joe Krahn, Paragon Government Relations, who is working with the group to secure new legislation to authorize funding for special districts.

The NSDA represents a growing network of over 8,000 special districts across the country through partnerships with seven State Special District Associations and several Statewide Single Industry Associations, coalitions, individual districts, and business partners. They advocate at the Federal level on behalf of special districts, provide critical grant and financial resources to ensure operational excellence, share resources and best practices to enhance services and foster collaboration to address shared challenges across state lines.

They reported NSDA is committed to strengthening and advancing essential community services. By promoting innovation, collaboration, and advocacy, to ensure that special districts remain a vital part of American communities. The NSDA brings together associations, organizations, and businesses that support and represent special districts nationwide.

The National Special District Association started in 2018 with members in just a handful of states initially, but they have quickly grown. There are over 40,000 special districts across the country. They want to continue to go and represent members in every state, but they remain committed to doing so without stepping on toes and not duplicating the efforts of other associations. They ultimately want to provide another voice on the hill on issues important to Special Districts.

NSDA recognized the value and opportunity of collaborating and working with other states. They want to help members understand and address several different topics, including, but not limited to infrastructure funding, GIS services, grant funds, and education opportunities. They provided an example of recent efforts noting that in some states special purpose districts have had issues with ADA websites and they helped provide resources to navigate that.

They discussed efforts to pass a bill addressing issue of special districts not always being eligible to directly receive federal funding. The issue of special districts gaining access to funding was an issue with ARPA funding.

Another active issue they're working to address is that the census bureau count quantified over 40,000 special districts, but there is nothing done currently to quantify them or their geographic regions.

They also discussed they have been actively working on the Fix our Forest Act legislation which has passed in the house.

They discussed that membership dues are based on budgets. It was noted that dues for NARD would grants access to association services for all NRDs.

Rosaura Conde, US EPA

319 Program Overview & Updates

Program Tools:

1. **How's My Waterway** – A public tool for viewing water data, state projects, success stories, and protection efforts by watershed. (<http://mywaterway.epa.gov>)
2. **Nonpoint Source Projects Data Explorer** – View state-level success stories for nonpoint source projects in Nebraska.
3. **DWMAPS (Drinking Water Mapping Application to Protect Source Waters)** – A tool for state projects and success stories related to source water protection.

Technical Assistance Tools:

1. **Restoration and Protection Screening Tool** – A free tool to support watershed planning by using ecological, stressor, and social indicators to prioritize waters for restoration. (www.epa.gov/rps)
2. **Compendium of Tools for Nature-Based Solutions** – Methods to estimate environmental benefits for nature-based solutions.
3. **PLET Model** – A web tool estimating nutrient and sediment loads from runoff and reductions from BMP implementation. (www.epa.gov/nps/plet)
4. **Watershed Planning Handbook** – EPA plans an update for this resource.

Funding & Coordination: Given the scale of NPS challenges and limited resources, effective funding leveraging and coordination are essential. The Clean Water State Revolving Fund (CWSRF) has provided \$163B since 1988, but only 3.4% has been directed toward NPS pollution. Funding allocation has shifted over time.

In Nebraska, CWSRF funding has largely supported hydromodification, storage tanks, and groundwater projects.

Charlotte Brewster, USDA NRCS TSP Program Manager

Brewster provided an overview of the TSP program. Technical Service Providers (TSPs) are enabled through the farm bill to do work on behalf of NRCS. Certified TSPs can be individuals or businesses. Regional coordinators work to certify and prepare TSPs. Renae Hancock is the Nebraska contact for TSP. Renee Hancock renee.hancock@usda.gov

TSPs can do the following work: Conservation planning activities, Design and Implementation, Conservation evaluation and monitoring activities.

Brewster noted there are over 70 TSPs in the state of Nebraska. All 70 TSPs are not necessarily located in Nebraska, but they are willing to travel and work in the state.

TSPs can be utilized to fill the gaps that NRCS personnel cannot meet. TSPs are utilized currently for the EQIP program, but NRCS is having conversations and exploring the use of TSPs for other programs.

Website on TSP information including state level requirements is available. She noted the website and the online application is currently under construction.

<https://www.nrcs.usda.gov/getting-assistance/technical-assistance/technical-service-providers>

Colton Buckley, Chief of Staff, Natural Resources Conservation Service

Colton Buckley, newly appointed Chief of Staff at the Natural Resources Conservation Service, joined the group for lunch on Tuesday.

As Chief of Staff for the Natural Resources Conservation Service, Colton Buckley's focus is on strengthening conservation efforts by working directly with producers to help protect and sustain natural resources. He emphasizes the importance of supporting those on the ground—farmers, ranchers, and landowners—who play a vital role in preserving the environment. Colton aims to foster collaboration, streamline operations, and enhance resource management strategies to ensure long-term success in conservation efforts. Through his leadership, he is dedicated to advancing rural economic development and promoting sustainable agricultural practices that benefit both producers and the environment.

Prior to this, he served as the Chief Executive Officer of the National Association of Resource Conservation and Development Councils. Colton's previous roles include an appointment to the Texas A&M University System Board of Regents by Governor Rick Perry, membership on the Texas Commissioner of Agriculture's Advisory Council, and service on the Workforce Solutions of West Central Texas Board of Directors, where he represented rural economic development. A proud alumnus of Turning Point USA, Colton holds a Bachelor of Science in Agricultural Services and Development from Tarleton State University and a Master of Arts in Communication from Liberty University. He was raised on his grandparents' cattle ranch in Gatesville, Texas.