

could be the case, so that language will be modified.

Clarification on how a Program Manager or Committee Chair is aware of any potential conflicts that may be present during discussions and/or activities so they can ensure the appropriate action steps are followed. Managing conflict is only as good as awareness. The corrective measure prescribed herein would have to be provided to the Manager and Chairs. Fred added that COI comes down to personal integrity and the individual is attesting they will follow the actions prescribed and it should be expected that they are doing that.

Dave Cammer: Obligations section b. does not read clearly. Also define the time of year the annual forms will be completed.

Motion to approve the Conflict of Interest Policy with the modifications as discussed and forward to the Council for consideration at the March meeting.

Motion: Dave Cammer

Second: John Vickers

Approved

b. Code of Conduct

The Draft Code of Conduct was distributed to the Committee in the meeting packets. The comments and clarification requests include:

Fred Huneke: Requested more explanation on outside practice, employment and service, as many Board Members serve on other boards. Jessica Nowlin, DOI responded that the document is to ensure that there is a process, it doesn't preclude those activities of staff and Board Members but it is a policy designed to ensure there are discussions happening and that if the process needs to be invoked it is, and that it is preventative and proactive. She added that members should disclose everything, even more than they think that they need to, so that there are discussions.

Dave Cammer asked about board involvement, and suggested adding a question to the conflict on interest questionnaire on outside activity. Jessica Nowlin replied that all outside activities will not invoke the conflict on interest procedure, so it is best in a separate statement.

Fred also mentioned that DOI asked about the paragraph on compliance with anti-trust laws, brand new to WAC. He requested an example on anti-trust. Jessica responded that the anti-trust section is to address and avoid bid rigging and bid collusion. John Vickers asked to better define the anti-trust language, Cynthia responded that it would be covered in the training.

Fred asked if there would be a training session on the code of conduct. Fred requested the training and then vote and approve the code of conduct. Cynthia responded that the Monitor Agreement requires it be done in this order.

Motion to approve the code of conduct as presented and forward to the Council for consideration at the March meeting.

Motion: Karl Gockel

Second: Richard Giles

Approved

IV. Other

a. Climate Smart Commodity Grant Program Opportunity

Jennifer Grossman, Gibson Durnford, Ken Jaffe (CADE), Phoebe Schreiner (CADE), Terry Nipp (Columbia University), and Carlos Valery (CADE) all joined the meeting to discuss the Climate Smart Commodity Grant Program Opportunity. Jennifer lead a discussion with the Committee regarding the grant that could allow WAC to achieve many of its goals including fortifying and expanding programs, expanding partnerships and awarding participants for the work that they have already

been doing. The group explained that throughout the world, public and private entities have been engaged in innovative water management programs for decades. These initiatives have designed and deployed land use protocols and best practices on farms and forests; aggregated and evaluated soil and water samples for nitrogen, phosphorus and organic matter content; and confirmed performance results to satisfy stringent water quality standards and avoid costly filtration. The Watershed Agricultural Council (WAC) has been a leader for over 25 years in this sector, revered as the gold standard for overseeing the world's largest unfiltered water supply system which provides over 1 billion gallons of unfiltered water per day to more than 9 million people in NYC.

Scientists, engineers and even politicians agree that farming and forestry have unrealized potential to sequester carbon and reduce Greenhouse Gases (GHG) if done at scale in a cost-effective manner. In fact, last month, the USDA announced a \$1 Billion "Climate Smart Commodity" grant program, for projects of \$5M to \$100M. The grant seeks applicants that can: design and implement holistic ecosystem practices on farms and forests; establish a scientific validation and verification protocol to confirm climate benefits; enhance existing financial assistance programs through payments for ecosystem services; and cultivate a market for commodities produced using these verified practices. This model is intended to include innovative partnerships that will allow for training and transferability for both conventional and regenerative farm and forest operators.

This initiative is of generational importance and scale, offering NYC a unique opportunity, through its partnership with WAC, to build upon its already successful Watershed program and achieve significant deliverables in both climate change mitigation and good food purchasing. It could not have happened at a better time, New York State (NYS) is "ripe" for launching this effort with the necessary legislative mandates, political will and institutional infrastructure firmly in place. It's recent adoption of the Soil Health and Climate Resiliency Act and the Climate Leadership and Community Protection Act (CLCPA) create an ambitious state-wide climate action agenda, which includes a requirement that GHG polluters pay NYS farmers and foresters to sequester their remaining 15% emissions after the polluters have reduced emissions by 85%.

For the past two years, several Catskills non-profit organizations, academics, farmers and foresters have been assessing opportunities to align and battle climate impacts in our region. They include CADE, WAC, Catskill Mountain Keeper, Orinoco Cattle and Farm Company, and Columbia University. The scale of this grant at \$30MM to \$50MM allows us to finally pursue our theory of change for a Climate Smart Commodities Market Model: establish the GHG reduction value of new climate protocols to be implemented, monitored, and assessed by watershed management entities along with a payment for practices and performance system to small and medium-sized farms and forests. This pilot will serve as a test market targeted to individuals and organizations with procurement mandates and emission limits for climate smart commodities (CSC) and sequestered carbon and GHG reductions. This will be an immediately transferable model in NYS to our current partners in the Susquehanna/Chesapeake and Finger Lakes/Great Lakes watersheds, both of which have system wide protection entities, and eventually to other broad regional lake and river watersheds systems statewide and nationwide, which also have significant watershed-wide legal and administrative infrastructures.

CADE will be the grant manager, overseeing the application process, all funding allocations, and tracking progress. WAC will be the primary contracting entity utilizing its well-established system of legal permanence through agricultural and forestry conservation easements, and funding of and education programs for BMPs. WAC has amassed decades of soil sampling, nutrient analysis and hydrological data already incorporated into granular and comprehensive Geographic Information Systems (GIS) modeling. If funding is received, WAC will be able to:

- Expand and increase funding for existing programs (EV & PFM)
- Add BMPs (covers and flares/capture to manure storage, energy use BMPs)

- Pay for good stewardship of water and GHGs (PES for NMP, PFM, plus more to be defined in forestry and ag)
- Evaluate existing BMPs/WFP in terms of GHG benefits
- Add carbon component into easements (either purchased rights or PES or both)
- Funding to expand EV program to develop market for Climate Smart Commodities.
- Hire staff to create Climate Action Program to oversee all above activities which will be independently and wholly funded by the grant.

The additionality of climate beneficial practices will be monitored, measured and verified by Columbia University's Agricultural Model Intercomparison and Improvement Project (AgMIP), a Worldwide community of experts advancing methods for improving predictions on the future performance of agricultural and food systems www.agmip.org. AgMIP is renowned for harmonized analyses of agricultural systems by integrating stakeholder-informed scenarios into global and regional assessments of current and future agriculture and food systems given changing climate and other stresses. Their focus here is to advance research on small-medium growers in the NYC Watershed regarding agricultural carbon emissions and sequestration, and the role of carbon markets in driving improvements in land management practices and rural economic development.

AgMIP will also assist in designing an agricultural carbon marketplace to support natural climate solutions based on national agricultural carbon and site-specific analysis of emissions/sequestration potential, methods, and tools for market entry. The calculable benefits established in this Watershed can offer NYC a direct carbon emissions offset market for public and privately owned buildings and the City's expansive aging infrastructure that cannot be elevated to climate requirements, keeping NYC dollars in NYC's Watershed.

In addition, WAC's economic viability agenda, providing branding and access to markets for farmers and foresters, has an opportunity to expand with grant funding to satisfy NYS's Farm to School bill and the 10-year food plan for NYC guided by The Good Food Purchasing principles. These initiatives have laid the groundwork for creation of a traceable and verifiable 'climate smart commodities' supply chain that can work directly with WAC's Economic Viability program and the Pure Catskills branding.

WAC is uniquely positioned with a proven track record of deliverables, field and forest work and public/private partnerships to participate in this game-changing grant. Very few drinking water systems have the size or regulatory infrastructure of WAC that would allow the additionality of a serious Payment for Ecosystem Services (PES) program. This grant opportunity is exactly the type of effort we have envisioned for WAC to expand its programming, as further supported by the 2021 NAS report. With independent funding in hand, and CADE and Columbia as capable colleagues, WAC will focus on what we do best on farms and in forests with a new capacity to offer annual payments to the many landowners we now work with.

Dave Cammer left the meeting at this time.

Gibson Durnford added that this is very similar to where WAC was at the beginning of the Agricultural Program, regulations are coming, the state has already passed regulations, and this would put WAC ahead and could present WAC as the model.

John Vickers asked how this would affect the ability of WAC staff to complete their DEP contract deliverables and what are the advantages to NYC and NYC DEP to participate/support this? Gibson responded that the payments for ecosystem services would result in even higher implementation rates, this would give the ability to go beyond what is currently funded with Precision Feed Management, could support additional BMPs that are not normally in the suite and much more. The grant includes capacity for staff that would conduct the work, outside of DEP funding, if that is the

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position that DEP takes. This would not be taking staff time away from the DEP contract, it would be to add capacity. Jennifer added that, as much as this layers on to what WAC already does, by WAC having this additional capacity, separately funded, to satisfy state and city requirements that already exist is a great opportunity for DEP to expand its partnership with WAC. She added this is an opportunity to try a pilot that could be very attractive in the end, with federal dollars. Essentially every practice this grant would cover is already being covered by the work we are already doing, so it wouldn't be an excessive amount of additional. John asked if the money from the federal grant would decrease the amount of funding necessary from the City? The response was that yes, to an extent, this would result in more BMPs being done, at no cost to NYC. Ken Jaffe added that the idea is to get farmers paid more for producing these types of products, they will get paid more for the commodities or for the carbon reduction value of their practices. This will result in increased economic viability of the farms. This would include incentive payments to farmers, participants, payments for carbon services which is in line with state law, which mandates that once Greenhouse gas emitters get to 80% have to purchase carbon offsets from NYS farms and foresters. Phoebe added the pilot is to build a sustainable model that will live on in time.

John Vickers had to leave at this time but stated that he would follow up with Jennifer, and WAC, he stated he has a call scheduled with the DEP Commissioner later today about related matters and he may be able to inform him of some of what he has learned here today.

V. Adjournment

The meeting was adjourned by common consent at 12:35pm