SPOKANE CONSERVATION DISTRICT  
210 N. Havana, Spokane, WA 99202  
BOARD MEETING MINUTES  
Tuesday, May 8, 2018

Attendees  
Supervisors: Jerry Scheele, Randy James, Tom Miller, Jaki Shrauger, Wendy Knopp  
Absent:  
Associate Supervisors: Chris Eckhart  
SCD Staff: Vicki Carter, Erica Johnson, Walt Edelen, Cori Turntine, Dan Ross, Ty Meyer  
Guests: Chad Atkins, DOE; Chad Greif, BIAS.

Agenda  
Chair Scheele presented the agenda and called the meeting to order.  
Motion James/Knopp to approve the agenda. Motion carried.

Previous Meeting Minutes  
Minutes from the April 10 meeting were previously distributed for review.  
Motion James/Shrauger to approve the April 10 meeting minutes as presented. Motion carried.

TREASURER’S REPORT  
Auditor Jaki Shrauger read through the Treasurer’s Report. Prior to the meeting she verified all the adjusted balances and all accounts matched.

<table>
<thead>
<tr>
<th>Cash Accounts</th>
<th>Beg Balance</th>
<th>Deposits</th>
<th>Withdrawals</th>
<th>Ending</th>
<th>Outstanding Rec</th>
<th>Outstanding Exp</th>
<th>Adj Balance</th>
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</thead>
<tbody>
<tr>
<td>50 PayPal Merchant Account</td>
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<td>6,696.88</td>
<td>6,603.80</td>
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<tr>
<td>101 Inland Northwest Bank-Check</td>
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<td>46,865.83</td>
<td>119,843.52</td>
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<tr>
<td>102 Inland Northwest Bank-MMA</td>
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<td>1.26</td>
<td>0.00</td>
<td>19,229.52</td>
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<tr>
<td>201 LGIP - WA State</td>
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<td>439,032.65</td>
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<td>439,032.65</td>
</tr>
<tr>
<td>Total Cash:</td>
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<td>0.00</td>
<td>46,865.83</td>
<td>578,787.15</td>
</tr>
</tbody>
</table>

Treasurer’s Report: Receipts: 16374-16474, 16476-16530, 16532-16533; Claims: 46175-46272; EFTs: 911, 944, 1026-1040, 1075, 1084, 1139-1140, 1201-1219, 1241-1242, 1245, 1258; Voids: 46187 wrong amount, 1197, 1198 entry error; Refunds: 16436, 16437, 16460, 16461, 16504, 16505--tree sale  
Accounts Payable: $296,245.60  
Motion James/Knopp to accept the April Treasurer’s Report and May Accounts Payable. Motion carried.

NEW BUSINESS / LINKAGE TO COMMUNITY  
Chair Scheele thanked everyone for the support throughout his hip surgery. He introduced Chad Atkins, Department of Ecology and Chad Greif, BIAS.

Public Records Request  
Information was requested on a piece of equipment being stored on the farm. There are no records to show that the piece of equipment was used, rented, leased etc... by anyone on SCD staff. Therefore, the public records request was fulfilled by letting the citizen know that there are no such documents.
Chad Atkins presented on Ag Non-point Work in Eastern Washington. He described point pollution as anything that comes from a pipe; these sources are monitored through a permitting process. Non-point is everything else. The water quality parameters are nutrients, temperature, dissolved oxygen, pH, sediment, pathogens, and habitat. They use a flow chart to drive actions leading to potential regulatory enforcement. He talked about funding sources and variability in discharge to surface water depending on annual weather conditions. They want to see landowners using preventative practices, even though they know they cannot create a zero erosion environment. As a result of the Ag and Water Quality Advisory Group, the DOE adopted 10 key changes in how they do their livestock watershed evaluations. In 2018, they will be conducting evaluations on dryland agricultural operations as well. This is due to the settlement of the lawsuit by the Riverkeeper. The Riverkeeper sued the EPA against their approval of the TMDL.

James wanted to know if the DOE could do something to change the tone of the discussion of Hangman Creek because it is naturally a heavy sediment load bearing streaming. Atkins noted that this is an important distinction that they are trying to make in their presentations so that people know that agriculture and nature both play a part, and the DOE is there to get landowners to install preventative measures. There are $600 million of point pollution capital improvements in progress and continuing for 15-20 years. Another effort that DOE is undertaking is restoring Redband Trout populations. James wants us to continue to build a culture of stewardship in our area so that people want to install best practices without having government interference. FarmedSmart will be used as a marketing tool to help good stewards sell their product with recognition of their practices, much like the organic label. Carter noted that the federal government is still incentivizing conventional practices. Carter also suggested to Atkins that landowners be given clear timelines and actionable steps so that they are not as bewildered upon receiving their first notice.

**Governance Culture**

Financial Review
Chad Greif presented his new quarterly review format. Strengths currently include a new SRF agreement with loan-loss reserves and administrative dollars. Obtaining lease income or pursuing an idea to sell a portion of the property is a priority. Greif doesn’t recommend staying land rich and cash-poor. Carter noted that we now have three parties interested in leasing the 8th property building. Small farm program growth should include increase prices, increase customers, and tailor programs to specific areas. The Riverkeeper lawsuit may ultimately present more opportunities for SCD to work with landowners, but it also presents the challenge of helping disgruntled farmers who are facing regulatory enforcement. Greif emphasized that the assessment needs to be increased so that we can serve more landowners, especially those in Hangman Creek. He warned of lease hold excise tax of about 12-13% when considering the profitability of a lease contract. Working with landowners to navigate the Hirst decision will continue to be an opportunity for SCD. Besides cash-flow balancing, a threat that Greif sees is the public misperception of SCD as being a regulatory partner to DOE rather than a vehicle for voluntary conservation.

**Annual Plan of Work / Long Range Plan**
Carter presented the Annual Plan of Work / Long Range Plan and noted that we need it approved by a motion, but it is a working document that can be changed as opportunities and needs arise. This is due to the Commission this month and will be revisited in the Summer Planning Session. **Motion James/Knopp to approve the Annual Plan of Work, July 2018 – June 2019. Motion Carried.**

**Annual Planning Session Date**
August 15 was selected by the board. The board meeting will be moved from Tuesday, August 14 to Wednesday, August 15 to keep the format of planning session part 1, lunch board meeting, and planning session part two format. **Motion James/Shrauger to move the August Board Meeting to Wednesday, August 15 and schedule the annual planning session as well. Motion carried.**

**Tour**
On May 23, SCD staff will be part of a tour for DOE staff to see conservation in production agriculture of Rivermile 17. Walt Edelen and Ty Meyer invite the board to join.

**Operational Expectations**
**Annual Financial Report Update**
Cori Turntine presented the Schedule 22 as part of the annual financial report. It provides the state auditors a glance at who we are, what we do, and some of our basic policies. The Washington State Conservation Commission also reviews this document.

**BIAS Grant Management and Advanced Payroll**
Turntine reported on the new software we will start training on in June, going live July 1. Once that’s in effect, we’ll be able to track and report on grants all within the BIAS system. It will even print voucher reports for WSCC and DOE grants. Later, in August/September, we will add the Advanced Payroll software which will put BIAS on each staff person’s computer for timesheet purposes. This will also tie into the grant management system and help streamline these processes.

**Directors Discussion**
Carter announced that Inland Northwest Bank has been bought by First Interstate Bank from Billings, MT. They have a larger real estate lending authority which could be useful to us as we borrow money to build on our property. We will be hosting a neighborhood meeting at the property on June 27 at 5:30pm and AHBL will be creating poster boards to show the vision for the property. We have an extensive clean-up plan to prepare for the neighborhood meeting.

**Rates and Charges**
If we change to a rates and charges system without an increase in amount, it does not require public hearing. Carter discussed how it might be beneficial to us to make this step soon. We need to make a plan that we can take to the County Commissioners.

**Vets on the Farm**
Saturday is the first Farm Stand day from 10am-2pm. We have been given a 10 month extension in order to keep Duane on as our Washington Department of Veteran Affairs intern.

Correspondence/Announcements:
- May 9 – H2O Breakfast by Spokane River Forum
- May 10 – Staff Meeting including presentation of Hangman Creek Geology and History
- May 12 – SCC Garden Expo and first day of VOTF Farm Stand
- Jake Clements has returned as RCPP Coordinator
- We have a couple great candidates for the Operations Specialist position
- Jilla Loan will be retiring from the district at the end of June
- A prominent citizen may purchase land and we may have an upcoming opportunity to manage a conservation easement.

RCO
Dan Ross presented a new protocol from RCO that we need a resolution to authorize signature authority for Vicki Carter and Cori Turntine.

**Motion Knopp/James to approve the RCO resolution for the 2018 Project. Motion Carried.**

SRF Update
Meyer updated the board that both bad loans are in progress of resolution with anticipated fall finish. The new loan program that Meyer is working on with ecology was awarded to us last year but the capital budget stall affected our ability to receive the funding. Meyer and Edelen will speak in Region 10 EPA at the Western States Source Water Protection meeting in Boise. They will discuss innovative funding solutions. June 20. Meyer will travel to Salem on May 21 and 22 to work on regulatory certainty for Farmed Smart.

The SCD Drill is getting new blades and has acres lined out for this season. There are producers interested in buying the drill and tractor separately.

Small Farms
Bio-farming education group is going well. Chris Eckhart is trying fish emulsion over 40 acres of varying soil types. They had four meetings this winter discussing revolutionary ideas in farming.

READING OF THE MOTIONS
**Motion James/Knopp to approve the agenda. Motion carried.**

**Motion James/Shrauger to approve the April 10 meeting minutes as presented. Motion carried.**

**Motion James/Knopp to accept the April Treasurer’s Report and May Accounts Payable. Motion carried.**

**Motion James/Knopp to approve the Annual Plan of Work, July 2018 – June 2019. Motion Carried.**

**Motion James/Shrauger to move the August Board Meeting to Wednesday, August 15 and**
schedule the annual planning session as well. Motion carried.

Motion Knopp/James to approve the RCO resolution for the 2018 Project. Motion Carried.

Meeting adjourned at 7pm.
Respectfully submitted by: Erica Johnson

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Jerry Scheele, Chair  

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Randy James, Member  

The Spokane Conservation District’s Board meeting minutes are intended to be a reasonable summary of the Board’s deliberations and action. The minutes are not a verbatim record of everything said at the meeting. The minutes include all actions taken by the Board.