

**SPOKANE CONSERVATION DISTRICT**  
 210 N. Havana, Spokane, WA 99202  
**BOARD MEETING MINUTES**  
 Tuesday, May 12, 2015

**PRESENT**

**Supervisors:** Jerry Scheele, Jaki Shrauger, Mary Sullivan, Tom Miller

**Absent:** Randy James

**Associate Supervisors:**

**SCD Staff:** Vicki Carter, Erica Johnson, Cori Turntine, Ty Meyer, Jilla Loan, Barry Tee, Eric Choker, Dan Ross

**Guests:** Chad Greif, BIAS; Bob Westby and Tammie Williams, Washington State Department of Transportation

Chair Scheele called the meeting to order at 5:07pm.

**Approval of Agenda**

Chair Scheele presented the agenda for board approval.

**Motion Shrauger/Miller to accept the agenda. Motion carried.**

**Previous Meeting Minutes**

Minutes from the April 14, 2015 board meeting had previously been distributed for review.

**Motion Miller/Shrauger to accept the April 14, 2015 Meeting Minutes. Motion carried.**

**TREASURER’S REPORT**

**Auditor Jaki Shrauger, presented the Treasurer’s Report for April, 2015.**

ACCOUNT	BEG. BALANCE	DEPOSITS	WITHDRAWALS	END BALANCE	OUTSTANDING BALANCE	ADJ. BALANCE
NW Pipeline Savings Acct	66224.32	0	0	33224.32	0	66,224.32
PayPal Merchant Acct	0	0	5,935.61	0	0	0
PayPal Transfer Acct	350.00	5,808.95	5,917.46	241.49	0	241.49
Bank of Fairfield Checking	564,200.68	145,558.65	640,186.30	69,573.03	335,901.61	405,474.64
Bank of Fairfield MMA	567,045.37	139.82	0	567,185.19	0	567,185.19
<b>LGIP</b>	<b>2,352,876.04</b>	<b>276.62</b>	<b>0</b>	<b>2,353,152.66</b>	<b>0</b>	<b>2,353,152.66</b>

Prior to the meeting, Auditor Shrauger reviewed the bank statements for April to verify the balances on all accounts. She went through the checks to verify signatures and endorsements. She noted a discrepancy between the adjustment book balance and the bank statement balance for the main checking account. Chad Greif stated that he will investigate the discrepancy when he returns to his office but believes it may be due to a broken transaction in BIAS. **May Treasurer’s Report: Claims: 43043-43151; EFTs: 740, 749, 798-810, 892, 923-945, 989, 1028, 1037; Receipts: 11380-11381, 11386-11473; Voids: none; Refunds: 917, 1037 – all tree sale related. Accounts Payable: \$27,784.86 (\$151,808.48 short of AP list distributed due to SRF loan falling through).**

**Motion Miller/Shrauger to approve the April TREASURER’S REPORT and May Accounts Payable as presented. Motion carried.**

**NEW BUSINESS / LINKAGE TO COMMUNITY**

**Public Comments/Introductions**

Chair Scheele introduced Bob Westby and Tammie Williams from Washington State Department of

Transportation. Westby gave a presentation on the Palouse River and Coulee City Railway (PCC) and distributed the project map list for summer WSDOT construction in our area. WSDOT runs the Grain Train, Produce Rail Car, Freight Rail Assistance Grant Program, Freight Rail Investment Bank Loan Program, Palouse River & Coulee City Rail System and Royal Slope. These programs keep heavy trucks off the road and help to keep pricing competitive for agricultural producers. PCC Rail Authority is an intergovernmental entity with reps from Grant, Lincoln, Spokane and Whitman counties. Westby would like to work with us to enhance their right of way sections along the railroads to mitigate erosion issues, especially in the Spangle-Waverly Road area. Meyer suggested that WSDOT and SCD work together to figure out an incentive program to get people farming with lower erosion and sediment. Washington Department of Ecology has asked WSDOT to put together a cost estimate if they were to maintain the ditches and dig the erosion out on a routine basis. Ty Meyer noted that direct seed and no till methods can eliminate 95% of the erosion which would make the maintenance more effective; WSDOT, DOE and SCD need to get to the same table to discuss how efforts can be aligned.

### **Soils Department Report**

Eric Choker presented on 2014 soil department activities including soil testing and technical assistance, Carlton Complex Fire and Spokane County Land Judging. For soil tests, the lawn and garden test includes pH, potassium, phosphorus, nitrogen and organic matter. The small acreage tests include the same, plus sulfur; Choker intends to add Iron and Boron to the small acreage test. In 2014 there were 178 tests through August, and 2015 already has 121 tests with a goal of 215. Choker helped with local, regional and statewide FFA Land Judging Competitions. He taught classes with WSU Ext Master Gardeners, Cultivating Success, Backyard Conservation Stewardship, Soils for Forestry Land Owners and more. Choker attends additional training such as Pollinator and Integrated Pest Management. In response to the Carlton Complex Fire, Choker joined the 25 person BAER Team to investigate fire effects on physical, biological and ecological impacts on the environment; the data identified priorities for preventing mudslides, landslides and to protect water quantity.

### **Mary Sullivan Board Supervisor Retirement**

Chair Scheele thanked Mary Sullivan for her service. Sullivan recalled a trip to D.C. where she met national conservation leaders and was proud that they already knew about Spokane Conservation District and the work that we accomplish. She will stay involved as an associate supervisor.

## **GOVERNANCE CULTURE**

### **Policy Review**

Carter distributed the cash handling and reporting policy as updated by Cori Turntine. Updates include policies for refunded transactions and segregation of duties. This policy update is a response to our most recent audit.

**Motion Sullivan/Shrauger to accept the cash handling policy as updated. Motion carried.**

Carter distributed the sole source and emergency purchases policy.

**Motion Sullivan/Shrauger to approve the sole source and emergency purchases policy as presented. Motion carried.**

Carter distributed the public records request policy. We have been operating with procedures as outlined by Washington State Conservation Commission in regard to public records requests, but now we have a formal process and policy that requires a written request. We have had three public records requests this year so far. Discussion was held regarding the charge for hard copy records. Discussion was

held regarding the penalties to agencies who misstep in response to a public records requests and if the legislation would ever change the law.

**Motion Sullivan/Shrauger to approve the public records request policy as presented. Motion carried.**

We have a personal vehicle plus a trailer being used to move the Vets on the Farm tractor. Carter read the proposed mileage policy out loud. Sullivan suggested that the new mileage reimbursement policy will require pre-authorization and will grant the state reimbursement rate plus .25 cents

**Motion Sullivan/Shrauger to approve the vehicle/trailer reimbursement rate with revisions suggested. Motion carried.**

Carter discussed the recent situation where the lowest bid for a WA Recreation and Conservation Office (RCO) project happened to be an out-of-country company. We received a complaint for awarding the contract to this vendor. Miller suggested that a foreign vendor could be rejected due to our inability to enforce a contract across international borders. This particular vendor has a good reputation working with CDs on the west side. We will pursue a policy that states that the SCD reserves the right to refuse quotations and bids from companies that are not entirely subject to United States jurisdiction.

### **Financial Report**

Greif noted that the voided check from the SRF program will change the book to loan gap and other financial materials prepared for this meeting. We received \$83,000 in assessment funding in April. Tree sales have brought in 89% of projected revenue; the fall sale should bring in the remainder of the expected budget. Board travel and meeting expenses line item is over budget. The services and charges expenditure is over budget; it needs to be adjusted to account for expected PayPal processing fees.

### **Public Officers' Training**

A public officers' training will be held in conjunction with the annual planning session, the same day as the August 11 board meeting. The July board meeting will be July 14 from noon to 2pm.

## **BOARD/CEO RELATIONSHIP**

### **2014 Annual Financial Report**

Turntine presented the 2014 Annual Financial Report for review and requested approval to submit the annual financial report the State Auditor's Office.

**Motion Shrauger/Miller to approve submitting the 2014 Annual Financial Report. Motion carried.**

## **OPERATIONAL EXPECTATIONS**

### **SRF Program Update**

Meyer updated the board on the status of Scott Gale's business proposal. His proposal could be an opportunity for SCD to get out of the box and change the future of farming. Gale is a military veteran, is committed to his proposal and has his skin in the game. Carter mentioned that he is so dedicated to his plan that he has paid to spend time with Jill Clapperton to further gain knowledge. Clapperton has relayed her support for Gale's business proposal. Meyer highlighted Gale's dedication by noting all of the conferences he's attended and research Gale has sought out through his planning. Dan Ross also provided his support for Gale based on a meeting he and Walt Edelen held with Gale and review of Gale's business proposal. Meyer stated that Gale's loan would have a 5 year term. He also stated that Gale has estimated that he needs to cover 11,000 acres a year in order to earn enough funds to cover his loan payments, although this is based on a low estimate of Gale's per acre fee in his business proposal.

**Motion Sullivan/Shrauger to approve a loan with Scott Gale. Motion carried.**

Meyer reported that he received an inquiry from a landowner regarding the ability of our loan program to accommodate the purchase of ditch maintenance equipment. Carter mentioned that this type of purchase isn't allowable through our loan program with DOE so we will need to approve it through our internal loan program if it's something that we want to participate in. Scheele stated that we should consider requiring that these producers are practicing no-till farming. Meyer stated that this producer is 100% no-till. Scheele recommended that Meyer seek further information from the landowner.

### **OSS Program Update**

Carter reported that we have 19 on-site septic system projects completed to date. This isn't quite as high as we anticipated but that we have new advertisements out for the OSS program so we don't have any concerns about meeting our expectations for installs this year.

### **Vets on the Farm Update**

Carter shared Vets on the Farm program progress. We will be presenting the program at the SCC Spring Fling next week with a showing of "Ground Operations: From Battlefield to Farm Field". She thanked Meyer for coordinating the companies who are helping with the tractor restoration. We've received a lot of support and donated time, labor and money to assist with the tractor restoration and transportation of the tractor throughout the summer. Northwest Farm Credit Services (NWFC) has also agreed to utilize their internal attorneys and cover all of the costs to trademark the Vets on the Farm program.

Carter, Pat Munts, William Hulings and Wendy Knopp visited the Growing Veterans farm in Lynden, WA last weekend. Carter said this was a great trip, lots of great information was gleaned and there's a potential opportunity to partner with Growing Veterans. Carter also announced that NWFC has offered a scholarship to Hulings to travel to Washington D.C. with Knopp and present our program to national leaders and policy makers.

### **CLOSING OF MEETING**

#### **Dates:**

- DOE meeting tonight, Walt is attending
- July 13, 2015: NACD Summer Meeting in Spokane. Tour stops will highlight farming on the Palouse. 200-250 people could attend; 50-60 policy people, CD supervisors from the nation and local officials.
- July 14: SCD Board Meeting at *noon*
- July 22: Rhizoterra Field Day at Fred Flemming's Farm in Reardan.
- August 11: SCD Board Planning Session, all day including public officer's training
- August 11: SCD Board Meeting at *noon*
- November 13: INW Small Farms Conference and Country Living Fair, part of Tilth Conference, November 13-15.

### **READING OF THE MOTIONS**

**Motion Shrauger/Miller to accept the agenda. Motion carried.**

**Motion Miller/Shrauger to accept the April 14, 2015 Meeting Minutes. Motion carried.**

**Miller/Shrauger to approve the April TREASURER'S REPORT and May Accounts Payable as presented. Motion carried.**

**Motion Sullivan/Shrauger to accept the cash handling policy as updated. Motion carried.**

**Motion Sullivan/Shrauger to approve the sole source and emergency purchases policy as presented. Motion carried.**

**Motion Sullivan/Shrauger to approve the vehicle/trailer reimbursement rate with revisions suggested. Motion carried.**

**Motion Shrauger/Miller to approve the submitting the 2014 Annual Financial Report. Motion carried.**

**Motion Sullivan/Shrauger to approve a loan with Scott Gale. Motion carried.**

Meeting adjourned at 8:25pm. Respectfully submitted by: Erica Johnson

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***Jerry Scheele, Board Chair***

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***Jaki Shrauger, Auditor***