

SPOKANE CONSERVATION DISTRICT
 210 N. Havana, Spokane, WA 99202
BOARD MEETING MINUTES
 Tuesday, August 12, 2014

PRESENT

Supervisors: Jerry Scheele, Tom Miller, Mary Sullivan
Absent: Randy James, Jaki Shrauger
Associate Supervisors: Phil Small, Dixie Riddle
SCD Staff: Vicki Carter, Erica VanNatta, Walt Edelen, Ty Meyer,
 Jim Armstrong, Barry Tee, Stacey Selcho, Eric Choker
Guests: Chad Greif, BIAS

Chair Scheele called the meeting to order at 12:10pm.

Approval of Agenda

Chair Scheele presented the agenda for board approval and Vicki Carter noted that Draft Budget should say Draft Budget Amendment.

Motion Sullivan/Miller to accept the agenda with changes noted. Motion carried.

Previous Meeting Minutes

Minutes from the July 8, 2014 board meeting had previously been distributed for review.

Motion Miller/Sullivan to accept the July 8, 2014 Meeting Minutes. Motion carried.

TREASURER'S REPORT

Acting Auditor Mary Sullivan, presented the Treasurer's Report for July, 2014.

ACCOUNT	BEG. BALANCE	DEPOSITS	WITHDRAWALS	END BALANCE	OUTSTANDING BALANCE	ADJ. BALANCE
Argonne Mit. Fund	65,852.06	0	0	65,852.06	0	65,852.06
NW Pipeline Savings Acct	61,224.32	0	0	61,224.32	0	61,224.32
PayPal Merchant Acct	48.25	2,447.45	1,547.55	948.15	0	948.15
Bank of Fairfield Checking	28,927.50	571,565.58	157,880.14	442,612.94	-25642.82	416,970.12
Bank of Fairfield MMA	184,653.74	47.05	0	184,700.79	0	184,700.79
LGIP	2,600,672.84	220.53	0	2,600,893.37	0	2,600,893.37

Acting Auditor Sullivan reviewed the bank statements to verify the balances on all accounts. All matched except the LGIP had a difference of \$184.44 which is equal to the interest from June was not entered into our accounting system. Sullivan checked the cashed checks print out and found that 42353 and 42354 only had one board member signature. Carter noted that the checks before and after these had been signed, and she suspects they were stuck together. **July Treasurer's Report: Receipts: 10653, 10660-10699, 10702-10709, 10713, 10715-10719; Claims: 42352-42417; EFTS: 1960-1961, 1967, 1981-1993, 2033, 2054-2055, 2086-2098, 2112-2115. Voids: 42338 (printer error). August Accounts Payable: \$185,500.04.**

Motion Sullivan/Miller to approve the July TREASURER'S REPORT with the receipts, claims, EFTs and voids as presented, and the August Accounts Payable. Motion carried.

NEW BUSINESS / LINKAGE TO COMMUNITY

SRF Program Discussion

Ty Meyer and Carter have talked about potential options going forward with the old tractor. We could sell it, trade it or seek another opportunity. Travis Willson is involved in these discussions as well. Meyer would like to bring formal options to the board next month. Carter hopes to use a new volunteer, Les

Linton, to create business model projections with these options. WSU is looking to lease 207 acres of land in south Spokane County, west of plaza; we are interested to lease it for direct seed as long as we wouldn't be competing with a current/returning lessee. Meyer is hearing very good yields coming from Palouse Garbanzo crops. Meyer still hasn't heard the harvest results from direct seeding into CRP with sagebrush. Fields in the Washtucna area that had been re-seeded several times still only had 15 bushel yields.

GOVERNANCE CULTURE

Directors Discussion

Carter is completing budget work for Capital Improvement Projects and prioritization of our projects. Washington State Conservation Commission (WSCC) will pull projects from CPDS on August 14. All projects entered on or before this date will be considered for funding. Carter is also working to write the budget package for the six districts that listed soil health and erosion as a top priority; it is difficult because of the variation of the projects and districts.

Tonight is the renewal of our assessment at the county commissioners' public meeting at 5:30pm. We received word that the Mayor of Liberty Lake is questioning the annexation of Deer Park and notes that it is unfair that his citizens have to pay the assessment when Deer Park doesn't; however, Deer Park does not have access to our programs and services, Liberty Lake does. Vicki, Jim, and Walt prepared an extensive list of projects, programs, and services that have been implemented in the Liberty Lake area. Jim Armstrong thinks this issue should not prevent the passage of the assessment.

Internal Loan Programs

Barry Tee reported that Tom Miller has helped create a deed of trust that will be used for applicants that don't have ability or have low ability to repay an OSS loan. The original landowner will be responsible for paying at least the interest on the loan annually. If that landowner dies or sells, the principal will be transferred to the new owner. This should help protect our loan-loss reserve funds. Miller worked to create the deed of trust which has been reviewed and approved by our legal counsel. So far all completed projects have been for sewer connections. Department of Ecology will be studying Lake Spokane vegetation in Stevens County to see if pollution can be traced back to septic waste.

Annual Financial Review/Draft Budget Amendment

Chad Greif from BIAS presented the Proposed Budget Changes (Draft Budget Amendment) that he and Carter prepared. He noted the grant salary reimbursement budget will meet the anticipated \$250,000. We are increasing expected revenue for Tree Sale and other areas while decreasing others or rolling them into a similar line item. The total change in anticipated revenue is \$19,550. In expenditures, anticipated unemployment costs, travel for supervisors, election expenses, and vehicle repair line items were decreased, and the Services and Charges line item was increased to reflect PayPal fees. Firewise was given a budget to reflect our actual activity this year. Total increase in expenditures of \$6,350. Overall we went from an anticipated 2014 shortfall of about \$10,000 to a \$2,733 anticipated gain. Greif also reviewed the 401 Fund and balance sheet.

Motion Sullivan/Miller to approve the Draft Budget Amendment. Motion carried.

Carter has prepared bidder packets for our VW Bug and our White Van. The highest bid over \$6,000 and \$1,500 respectively will win. Bids will be opened on September 2, 2014. Carter will put a legal notice in the paper with the information.

Resolutions

Cost-share policy (same as last year) was turned in July 22 to WSCC, but Carter would like the board to

ratify it.

Motion Miller/Sullivan to ratify resolution AD 08.12.14 allowing the SCD Board to approve cost-share up to 100%. Motion carried.

Walt Edelen presented for board approval a 50% cost-share to a maximum of \$50,000 using WSCC funding for the Roylance Dairy Lagoon Project. The project has been approved by the commission.

Motion Sullivan/Miller to approve the cost-share application for the Roylance Dairy Lagoon Project at 50% cost-share, up to \$50,000 using WSCC implementation funding. Motion carried.

OPERATIONAL EXPECTATIONS

Correspondence and Announcements

WEST Consultants received and responded to our letter sent by our legal counsel regarding the failure of the spangle flood mapping. Their letter requested photographic evidence proving Spangle Creek created the flood damage. Carter needs to know how the board would like to proceed. Miller noted that if an attorney's fees clause was found in the contract, it could really affect our course of action. He suggested getting a lawyer to pursue a lawsuit based on 1/3 contingency. This would lower the potential costs. Carter will contact our legal counsel Brian Werst regarding hiring a lawyer on a contingency basis and also WSCC regarding what they would like to see happen. We will send another letter to WEST so they know we are communicating with WSCC.

Carter continues to update the 5 year plan and the annual plan. When all board members are present these can be approved.

- Tonight, August 12 – County Commissioners Meeting, SCD assessment on agenda
- August 16 - Tree School
- September 9 - Morrow, OH Conservation District will be in the area and we will help tour and host them.
- October 22 – NE Area Meeting at Enduris
- November 1 – 4th Annual Small Farms Conference: Farm-a-Palouse-a.
- Winter Quarter Online Veteran Farmers Course

CLOSING OF MEETING

READING OF THE MOTIONS

Motion Sullivan/Miller to accept the agenda with changes noted. Motion carried.

Motion Miller/Sullivan to accept the July 8, 2014 Meeting Minutes. Motion carried.

Motion Sullivan/Miller to approve the July TREASURER'S REPORT with the receipts, claims, EFTs and voids as presented, and the August Accounts Payable. Motion carried.

Motion Sullivan/Miller to approve the Draft Budget Amendment. Motion carried.

Motion Miller/Sullivan to ratify resolution AD 08.12.14 allowing the SCD Board to approve cost-share up to 100%. Motion carried.

Motion Sullivan/Miller to approve the cost-share application for the Roylance Dairy Lagoon Project at 50% cost-share, up to \$50,000 using WSCC implementation funding. Motion carried.

Meeting adjourned at 1:30 pm.
Respectfully submitted by: Erica VanNatta

Jerry Scheele, Board Chair

Tom Miller, Board Member