

SPOKANE CONSERVATION DISTRICT
 210 N. Havana, Spokane, WA 99202
BOARD MEETING MINUTES
 Tuesday, September 9, 2014

PRESENT

Supervisors: Jerry Scheele, Randy James, Jaki Shrauger, Tom Miller, Mary Sullivan

Absent:

Associate Supervisors:

SCD Staff: Vicki Carter, Erica VanNatta, Ty Meyer, Rick Noll,
 Jim Armstrong, and Garth Davis

Guests: Chad Greif, BIAS; Les Linton, SCD Volunteer; Grant Rice, citizen

Chair Scheele called the meeting to order at 5:10 pm.

Approval of Agenda

Chair Scheele presented the agenda for board approval.

Motion James/Shrauger to accept the agenda. Motion carried.

Previous Meeting Minutes

Minutes from the August 12, 2014 board meeting had previously been distributed for review.

Motion Shrauger/James to accept the August 12, 2014 Meeting Minutes provided that the signature line with Randy James be changed to a board member who was actually in attendance. Motion carried.

TREASURER'S REPORT

Auditor Jaki Shrauger, presented the Treasurer's Report for August, 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	948.15	3,307.27	4,110.37	145.05	0	145.05
Bank of Fairfield Checking	419,620.39	646,250.20	717,727.37	348,143.22	32,949.61	381,092.83
Bank of Fairfield MMA	184,700.79	15.29	184,010.00	706.08	0	706.08
LGIP	2,600,893.37	381.01	250,000.00	2,351,274.38	0	2,351,274.38

Auditor Shrauger reviewed the bank statements to verify the balances on all accounts. All matched to the penny. **August Treasurer's Report: Claims:42420-42492, Receipts:10708, 10710-10712, 10714, 10720-10756, 10759, 10761-10774, EFTs:2173-2185, 2248-2265, 2283-2284, Voids: none. August Accounts Payable: \$251,686.84.** Vicki Carter mentioned that the large withdrawals from MMA and LGIP were to fund loans/projects and will be reimbursed when the vouchers are turned in to DOE.

Motion James/Miller to approve the August TREASURER'S REPORT with the receipts, claims, EFTs and voids as reported, and the September Accounts Payable. Motion carried.

NEW BUSINESS / LINKAGE TO COMMUNITY

Public Comments/Introductions

Chair Scheele pointed out our guests Les Linton and Grant Rice. Linton is a recent retiree and new Spokane resident with lots of pertinent environment and natural resource experience to help us as a volunteer. Pat Munts will use Linton's business teaching experience to help develop the Cultivating Success program that targets Veterans. Staff and board introduced themselves briefly to the guests.

Grant Rice comes from a cattle ranching family, has worked for WSDA, and helps his neighbors with their various soil and weed issues.

GOVERNANCE CULTURE

Election of Board Officers

Carter offered that the board may choose to approve the current slate of officers the same through the end of the year, or they can have elections. Elections usually take place in April.

Motion James/Shrauger to keep current slate of officers through the next election, April 2015. Motion carried.

NE Area Resolutions

Carter reminded the board that the NE Area Meeting will be October 22 at the Enduris building. In the case of a government shutdown, our DOE contracts do not protect districts; Enduris has pointed this out as a liability for districts. Stevens County CD is spearheading a resolution to address this issue. Stevens County CD is looking for our support. The board is comfortable with supporting this resolution and will see a draft from Jim Armstrong.

Armstrong distributed a resolution that Pierce County CD board recently passed regarding assessment caps. This resolution seeks a change in our RCW. Currently, King CD has a \$10 assessment cap, but other districts are still held at a \$5 cap and reauthorization can happen every year at the county level. The new resolution puts the power at the local level to set the rate up to \$20 per acre per annum and reauthorization can be set at the local level from 5 years to perpetuity. This will be discussed at the WACD Officers and Directors meeting September 16; Armstrong and Tom Miller will attend.

Ty Meyer addressed the potential for a resolution that would ask WACD to work with NRCS to improve the priorities in their payment rates which currently over incentivize mulch till rather than Direct Seed. The board agrees that Meyer and Armstrong should bring a resolution to the next meeting.

OSS Update

Carter reported on behalf of Barry Tee that eight OSS connections have been completed smoothly. All loan payments have been completed on time so far. Five more projects have start dates, an additional five projects are awaiting start dates and there is more in the pipeline.

SRF Update

Meyer reported that harvest is wrapping up and fall seeding is coming up. Another drill loan is in progress. Yields were average to below average and even disastrous in eastern Washington this year. Canola burned up in July, plus the winter damage of disease and other factors affected the crops. Direct payments are ending October 1. Farmers who are enrolled in other programs will see reimbursement/payment in October, 2015. Meyer anticipates that early payoffs will decrease and borrowing could pick up as people become very conscious of their cash.

In the Direct Seed custom seeding program, 1,000 scheduled acres cancelled in dry country due to the drought conditions, but overall, the operation is still doing really well. Spring finished with 4,200 acres and with fall season he will finish the year around 9,000. Travis Willson seeks financing for a used service truck that will enable him to better manage the tractor and drill; this will be a \$50,000-\$60,000 loan. The truck would have a welder, generator, sleep cab, crane and more. Willson currently has a seven year loan on his tractor and this additional loan could follow the same payment schedule.

Cost-share Applications

Rick Noll confirmed that Water Resources has no cost-share applications at this time. Garth Davis has a Dishman Hills cost-share application in the pipeline but it doesn't need board approval at this time.

Financial Update

Chad Greif updated the budget as per the draft budget amendment accepted at the previous meeting and will give the new budget to Vicki to share with the board. Assessment revenue is at 60%, state generated (grant) money is at 89% of revenue, other revenues are at 105% of budget. Expenditures are at 76% of budget. We are budgeted to have a \$2,700 excess of revenue at the end of the year. \$400,000 in loans were made in the SRF program in August and principle repayments were low, which means interest revenue will continue. Carter noted that our Bear Creek grant will expire in 2016 and we will be applying for an extension.

Director's Discussion

Carter spoke about the land lease that WSU is offering in south Spokane county, but it will be a conflict of interest if we were to apply for the lease because a producer we work with has the current lease and will be reapplying.

Our Morning Star Boys Ranch project is ready to go out for contracts, but we need their board to approve the cost-share.

Carter and Meyer did some research at St. John's Hardware regarding a small no-till drill and also regarding selling our old QuadTrac.

Carter reported that the beetle sold and the old van's torque converter is broken. If Barry Tee can fix it, we may keep the van after all. We have purchased a 2009 Dodge Caravan with 52,000 miles on it and stow and go seats. The minutes need to reflect that the board is aware of the purchase and that she had the authority to sign for the loan.

Motion Miller/James to ratify the purchase of the van by Vicki Carter with financing by Bank of Fairfield. Motion Carried.

Carter described the staffing and workload changes in our office and the desire to hire a "compliance and contracts specialist". This would be a very qualified individual, not an entry level position. It would include duties that are currently held by Carter, Armstrong, and Erica VanNatta. Then VanNatta will have more time to take on more outreach and communication work. The "compliance and contracts" position should start before Armstrong's retirement and VanNatta's maternity leave. Carter distributed a draft job description. Sullivan asked about the procedures for hiring. Carter would use our state agencies to help advertise the position and try to cast a broad net. The winning applicant would need to be familiar with BARS, financials, grant management, and require very little training.

OPERATIONAL EXPECTATIONS

Correspondence and Announcements

Carter received letters from Enduris regarding our 2015 premium and WACD regarding budget work at the state level. She recently received correspondence from WEST Consultants for an official resolution process to begin with their named agent. We have been notified by Chad Adkins of DOE of a complaint

of a large sediment plume on the Little Spokane River due to soil erosion. Another complaint has come to our attention from DOE regarding a Livestock issue. These landowners have been notified by DOE that we are available for non-regulatory technical assistance; we will only act if invited by the landowner.

The Morrow, OH group of 43 participants was given a tour by Carter, Meyer and Walt Edelen. The tour went great. They loved the rolling hills, the pine trees, and the tour stops.

Dates:

- September 16: WACD Officers and Directors meeting
- October 22: NE Area Meeting at Enduris
- November 1: 4th Annual Small Farms Conference: Farm-a-Palouse-a.
- Winter Quarter: Online Veteran Farmers Course through SCC and Cultivating Success
- July 2015: NACD Summer Meeting in Spokane. 200-250 people could attend.

CLOSING OF MEETING

READING OF THE MOTIONS

Motion James/Shrauger to accept the agenda. Motion carried.

Motion Shrauger/James to accept the August 12, 2014 Meeting Minutes provided that the signature line with Randy James be changed to a board member who was actually in attendance. Motion carried.

Motion James/Miller to approve the August TREASURER'S REPORT with the receipts, claims, EFTs and voids as reported, and the September Accounts Payable. Motion carried.

Motion James/Shrauger to keep current slate of officers through the next election, April 2015. Motion carried.

Motion Miller/James to ratify the purchase of the van by Vicki Carter with financing by Bank of Fairfield. Motion Carried.

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

Jerry Scheele, Board Chair

Randy James, Vice Chair