

**SPOKANE CONSERVATION DISTRICT**  
 210 N. Havana, Spokane, WA 99202  
**BOARD MEETING MINUTES**  
 Wednesday, November 12, 2014

**PRESENT**

**Supervisors:** Jerry Scheele, Randy James, Tom Miller, Jaki Shrauger (after auditor report)  
**Absent:** Mary Sullivan  
**Associate Supervisors:** Dixie Riddle  
**SCD Staff:** Vicki Carter, Erica VanNatta, Cori Turntine, Jim Armstrong, Ty Meyer, Lindsay Chutas, Jilla Loan, Ben Peterson  
**Guests:** Chad Greif, BIAS

Chair Scheele called the meeting to order at 5:00 pm.

**Approval of Agenda**

Chair Scheele presented the agenda for board approval.

**Motion Miller/James to accept the agenda as presented. Motion carried.**

**Previous Meeting Minutes**

Minutes from the October 14, 2014 board meeting had previously been distributed for review.

**Motion James/Miller to accept the October 14, 2014 Meeting Minutes. Motion carried.**

**TREASURER’S REPORT**

**Acting Auditor Tom Miller, presented the Treasurer’s Report for October, 2014.**

ACCOUNT	BEG. BALANCE	DEPOSITS	WITHDRAWALS	END BALANCE	OUTSTANDING BALANCE	ADJ. BALANCE
Argonne Mit. Fund	65,852.06	0	65,852.06	0	0	0
NW Pipeline Savings Acct	61,224.32	5,000.00	0	66,224.32	0	66,224.32
PayPal Merchant Acct	131.64	3,785.03	3,133.47	783.20	0	783.20
Bank of Fairfield Checking	139,375.80	331,702.41	388,490.12	82,588.09	30,746.24	113,334.33
Bank of Fairfield MMA	696.27	1,000.32	10.00	1,686.59	0	1,686.59
<b>LGIP</b>	<b>2,351,463.70</b>	<b>197.18</b>	<b>0</b>	<b>2,351,660.88</b>	<b>0</b>	<b>2,351,660.88</b>

Prior to the meeting, acting Auditor Miller reviewed the bank statements to verify the balances on all accounts. All matched to the penny. **October Treasurer’s Report: Receipts: 10806-10813, 10824-10913, 10918-10920, EFTs: 2486, 2495, 2522-2544, 2637-2638, 2644-2656, 2662, 2692-2693, 2701, 2757, Claims: 42592-42679, Voids: 42592, 42609 (OSS checks to contractors, reissued). November Accounts Payable of \$193,066.62.** Randy James asked about the status of the Argonne Mitigation fund. Lindsay Chutas explained that the Stateline Project has been completed, so these funds have been used. Miller asked about the outstanding receipts section of the treasurer’s report and Chad Greif reported that these were part of tree sale receipting issues due to technical difficulties on the pickup days. Greif will make adjusting entries to resolve these.

**Motion James/Miller to approve the October TREASURER’S REPORT and Accounts Payable as presented. Motion carried.**

**NEW BUSINESS / LINKAGE TO COMMUNITY**

**Public Comments/Introductions**

Chair Scheele led the pledge of allegiance in honor of Veterans Day and honored the Veterans in the room including Tom Miller who shared about yesterday’s Coming Home event at Felts Field. Vicki Carter’s “ride for red” cycling class that honors Veterans is still in session every Friday at the Spokane Club. The Spokane Club and the SCD will be receiving awards for their work for Veterans. Dixie Riddle and Jerry Scheele have also served our

country and shared briefly about their experience.

Carter introduced Cori Turntine, our new Contracts and Compliance Specialist. Carter also introduced Shannon Morse. Carter met Morse at the Small Farms Conference on November 1 and wanted her to speak about her work with Veterans, and with L&S Tires.

Morse works at the City of Spokane Fire Department and also has a business called Cow Girl Co-op. They provide a free retreat to combat women coming back from Iraq. The retreat is 3 days on her farm in Greenbluff and includes a variety of farm, ranch and craft/hobby activities. The program serves vets from all over the United States and costs \$3,500-\$5,000 per event, relying on donations for funding. All staff are volunteers. About 50 participants attend a single event – not too many to promote bonding.

### **L & S Tire Presentation**

Morse presented information about a company called L & S Tires that recycles tires into several new products. Morse shared a notebook with photos of the products. The “conservation fee” that you pay when you leave behind your old tires at Les Schwab etc... goes to L & S to help fund the production of these products. Tire bales are 80-100 tires compressed into one product. They are very useful for preventing erosion and using in road construction. They can be used for livestock structures, walipini greenhouses, “stones,” and more. Another product is shredded tire rubber that can be mixed in with asphalt to give the road more flexibility. Morse brought a video from L & S tire to show more about the company. The cost is \$1-\$5 per bale plus \$35 per hour for delivery. The Department of Ecology has signed off on its use.

### **Staff Reports**

Carter gave a summary of Jim Armstrong’s Retirement Open House that we had earlier today and played a slideshow of pictures that were collected from the past and new pictures with messages from people that couldn’t make it to the open house.

Ty Meyer spoke about the DOE’s intent to give a letter of compliance to any producer who certifies with the PNDSA FarmedSmart Certification program. Meyer noted that this is a groundbreaking development, especially the potential for a sales tax incentive; Meyer is working with WACD and DOE to get the sales tax exception back only for producers that are certified FarmedSmart. Armstrong and Meyer will write this sales tax component as a resolution to be presented from the floor at WACD in Suncadia. Armstrong believes that the increase in sales tax revenue we’ve seen after the governor asked for 15% across the board cuts will provide enough room for this to be passed. Carter noted that a board motion would be needed.

**Motion Miller/James to support a resolution, in principle, the ag sales and use tax exemption for producers who meet the FarmedSmart criteria; the SCD staff should draft such a resolution to be taken to WACD. Motion carried.**

Meyer then distributed a proposal for a new loan program for beginning direct seeder operating loans. This loan program is different than competitors because it bases approval for funding on income and farming practices rather than assets. It requires the applicant to have been denied by a commercial lender, thereby eliminating competition with private entities. The current system of crop insurance will serve as collateral in the event that we cannot collect our lien on their crop; the loan program is set up for little risk. The program would be available where ever our Direct Seed Loan Program is available. Miller expressed concern in our authorities with RCW 89.08 to take this program to counties outside of our own. Greif noted how this program could serve our Veterans as well as they become first generation farmers. Meyer said that this program needs board approval. Chair Scheele asked what the maximum funds to loan out would be, i.e. the capacity of the loan program. Carter, Meyer and Greif will have to finalize that amount. Armstrong found and shared the section of RCW 89.08 that keeps this

program in our authority; we just need to verify that our MOUs encompass this correctly.

**Motion James/Shrauger to approve the vetting out and creation of the Beginning Direct Seeder Operation Loan Program. Motion carried.**

Cori Turntine mentioned that training is required for board supervisors in order to stay in compliance with the Open Government Compliance Training Act. The board was offered this training at their planning session in August. James and Shrauger still need to complete the training. She will send them links for online training.

**Small Acreage Ameri-Corp Proposal**

Carter has become partners with Wendy Knopp of Northwest Farm Credit Services (NWFC). They wrote an Ameri-corp proposal for a Veteran Intern Position and the contract was provided by Ameri-corp, but with a 35 and under cap. The intended intern is more than 35 years old. Instead, between our internship funds and NWFC funds, we will be able to fund the internship as intended to William Hulings. One of the requirements of the internship is that he takes the Cultivating Success classes we have set up at SCC. Carter wants to grow this program into a Farm-Vet Coalition. With willing farmers, we will send this intern out to work directly on local farms that practice excellent farming and conservation. James suggested that we could grow this program to 10 interns in 3 years.

**Resolutions**

Pierce County CD is hiring a lobbyist to take the assessment cap legislation to Olympia. They have asked for our support. Carter is unsure if he is looking for monetary support, or simply staying in the conversation. Carter would very much like to hear this lobbyist's perspective in comparison to our current lobbyist and WACD.

**GOVERNANCE CULTURE**

**Election Notice of Intent to Set 2015 Date**

**Motion James/Shrauger to set the 2015 election date at our December meeting. Motion carried.**

**Director's Discussion**

Carter presented the board with our awards that we received at the NE Area Meeting on October 22: NE Area of the Year Award, an award to honor Eric Choker for his work on the Okanogan BAER Team, and Miller and Carter presented Chair Scheele with the NE Area Supervisor of the Year award. Chair Scheele accepted his award and spoke about the Washington Conservation Society book of legacy stories regarding supervisors who have passed away; the society has many new requests to be incorporated into the book.

**2015 Draft Budget**

Carter has not changed the draft budget since its distribution at the last meeting. The excess revenue is still almost \$10,000. If there are any changes between now and December, Carter will bring them to the board.

**Financial Overview**

Greif went over the loans receivable, interest accrued, and physical assets of the SRF program. He also gave an overview of the 401 fund account and 101 fund account. The assessment revenue for October came in, leaving only \$36,000 left to be received. Carter and Greif noted that the grant vouchers will come in as budgeted for the first time in SCD history. Greif is working on an exact number, but we've netted more than \$85,000 through our direct seed rental program. Loans have been a little slow for Direct Seed. Miller requested a SRF monthly and annual at a glance chart be provided with the board packet.

**OPERATIONAL EXPECTATIONS**

**Correspondence and Announcements**

Carter spoke about a request received from the Recreation and Conservation Office request and our response: a letter from our legal council to prove our existence and authority. Chair Scheele signed a “fact certificate” on behalf of the board in this response letter.

Dates:

- December 1-4: WACD Suncadia
- February 3-5: NACD New Orleans
- 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 Miller/James to accept the agenda as presented. Motion carried.**

**Motion James/Miller to accept the October 14, 2014 Meeting Minutes. Motion carried.**

**Motion James/Miller to approve the October TREASURER’S REPORT and Accounts Payable as presented. Motion carried.**

**Motion Miller/James to support, in principle, the ag sales and use tax exemption for producers who meet the FarmSmart criteria; the SCD staff should draft such a resolution to be taken to WACD. Motion carried.**

**Motion James/Shrauger to approve the vetting out and creation of the Beginning Direct Seeder Operation Loan Program. Motion carried.**

**Motion James/Shrauger to set the 2015 election date at our December meeting. Motion carried.**

Meeting adjourned at 7:08 pm.  
Respectfully submitted by: Erica VanNatta

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**Jerry Scheele, Board Chair**

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**Randy James, Vice Chair**