

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

PRESENT

Supervisors: Mary Sullivan, Jerry Scheele, Randy James, Tom Miller, Jaki Shrauger
Absent:
Associate Supervisors: Dixie Riddle
SCD Staff: Vicki Carter, Cori Turntine, Ty Meyer, Eric Choker, Charlie Peterson, Garth Davis, Barry Tee, Jilla Loan
Guests: Chad Greif, BIAS and William Hulings, Future Farm-Vet Intern

Acting Chair James called the meeting to order at 5:08 pm.

Approval of Agenda

Acting Chair James presented the agenda for board approval.

Motion Miller/Shrauger to accept the agenda as presented. Motion carried.

Previous Meeting Minutes

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

Motion Scheele/Miller to accept the November 12, 2014 Meeting Minutes. Motion carried.

TREASURER’S REPORT

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

ACCOUNT	BEG. BALANCE	DEPOSITS	WITHDRAWALS	END BALANCE	OUTSTANDING BALANCE	ADJ. BALANCE
NW Pipeline Savings Acct	66,224.32	0	0	66,224.32	0	66,224.32
PayPal Merchant Acct	783.20	248.11	1,031.31	0	0	0
Bank of Fairfield Checking	82,290.09	544,295.94	596,692.61	29,893.42	34,815.95	64,709.37
Bank of Fairfield MMA	1,686.59	300,027.51	0	301,714.10	0	301,714.10
LGIP	2,351,660.88	0	0	2,351,660.88	0	2,351,660.88

Prior to the meeting, acting Auditor Miller reviewed the online bank statements to verify the balances on all accounts. Due to the timing of the meeting he was unable to verify the balances to the actual bank statement for the NW Pipeline account. Additionally, Chad Grief pointed out that the LGIP statement wasn’t received in time to enter the November account activity. Therefore, the November financial statements will be corrected and amended at the January meeting. Miller presented the accounts payable for December as \$137,893.09.

November 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). December Accounts Payable of \$137,893.09.

Miller noted it was determined that check number 42680 made out to Spokane Community College was missing a second signature. The check amount was \$30.40.

Motion Shrauger/Sullivan to approve the November TREASURER’S REPORT as presented. Motion carried.

Motion Miller/Sullivan – Accounts payable as amended. Motion carried.

NEW BUSINESS / LINKAGE TO COMMUNITY

Public Comments/Introductions

Carter introduced William Hulings. Hulings is a student at Spokane Community College and a US Navy veteran who has

been offered our first Veteran-Farm internship at SCD starting in March 2015. William addressed the Board and shared his passion for fellow Veterans, small farming, and education.

Farm-Vet Intern/Training

Carter spoke about SCD's partnership with Northwest Farm Credit Services (NWFC) on the funding for the Farm-Vet Internship program. She told NWFC about James' comment that he'd like to see this program grow and they loved the idea. They have committed \$7,000 towards the 2015 internship Farm-Vet internship program.

Department Report Review

Barry Tee provided an overview of the OSS program. He noted 33 projects have been completed to date, this includes our first septic replacement project. The program was funded as follows during 2014:

OSS Grant total - \$31,997

OSS Loan total - \$92,755

These totals include projects that have been accepted but not yet finished.

Garth Davis provided an overview of the Forestry Department's activity over the past month. He talked about the salvage logging operation work at the various pits and mentioned that Spokane County has utilized inmates to do a lot of this work. The salvage wood was sent to mill and fuels reduction work was also conducted while onsite at the pits. Davis talked about how SCD received conservation funding for fuels reduction projects last year and how the funding is being repurposed. These funds will be used at two Spokane County owned properties, Buttercup Dump and Glen Eden, and will be funded in the following allocations: SCD will pay 75% and Spokane County will pay 25%.

GOVERNANCE CULTURE

Assessment Discussion/CC

Conference call was held with Brynn Brady. Pierce Conservation District is working with an independent lobbyist to move forward with their assessment resolution that failed at last year's WACD conference. PCD asked if SCD would be interested in contributing financially toward the contract.

Brynn Brady has lobbied on behalf of Pierce County for seven years. Brynn stated she is very familiar with conservation districts and specifically Pierce County Conservation District from her experience at Pierce County. Brynn mentioned that she has been working for about a month on this and stated she feels this is a good year to leverage conversation at the legislative level and would like to see the legislation change to allow governments more flexibility to manage their own rates to take care of their individual maintenance and operational needs. In general, she has received positive feedback. Although, she did mention that some members would like to hear from their CDs to determine how they feel about this.

Brynn opened up the floor to allow questions from the Board – Scheele asked how many other districts are close to the 480K population threshold. Brynn said that Spokane CD has 484K and the next two largest districts are Clark County with 440K and Thurston with 230K. She also mentioned that they are considering adding language that establishes population as of a specific date to prevent Clark County from being bumped over the 480K population and automatically falling within this legislation. The legislation also would cap the proposed rate at \$10 with the exception of King County who will have a cap of \$15. Carter asked for a listing of the County's that the legislators want to get support from.

Vicki said we can write letters to those interested Districts who have an MOA with SCD as the assessment is what allows SCD to provide the loan programs in these counties. Brynn said that would be great and mentioned that Ryan Mellow has already drafted a letter that will be sent out to Pierce County's bordering CDs.

Miller discussed assessments versus rates and charges and stated that the constitutionality of the assessment has been discussed in the past. Brynn concurred that not establishing a cap will likely make approval more challenging.

Carter discussed how Pierce County CD has paid about \$25K so far and they have a contract for \$40K for the lobbying efforts. She mentioned they have asked her if SCD would be willing to provide some financial assistance towards these efforts and informed the board that this is something they will need to think about and will need to approve if they wish to do so. Miller suggested that we may need to look at the rates and charges structure before we consider moving forward.

Election Date Announcement

Carter informed the Board that an election date needs to be set. The election must be held in the first quarter of 2015. Carter mentioned that she has received interest from a number of different individuals, including Grant Rice who was present at the meeting.

Motion Shrauger/Sullivan to set the 2015 election for March 10, 2015 from 7:30am-4:00pm. Motion carried.

2015 Meeting Schedule

Carter presented proposed 2015 meeting schedule. She asked about the day and time of the meeting and everybody agreed that the second Tuesday of each month at 5pm still worked, with July and August meetings at noon. The 2015 meeting schedule will be posted on our website and in the office.

Motion Miller/Sullivan to approve 2015 Board Meeting Schedule. Motion carried.

WACD Meeting Recap

Meyer said 2014 WACD was the best conference he has attended so far. He said the awareness of direct seeding practices was at the forefront of many discussions and that he felt far more acceptance and acknowledgement of direct seed as a viable practice than he has seen in the past. He also mentioned that he did a presentation on no-till direct seeding practices with Dan Harwood, Palouse Rock-Lake Conservation District and producer Rob Dewald from Ritzville.

Meyer also talked about how SCD's resolution was re-written after receiving feedback during the work session and was approved the next day in the general session. He said the resolution appeared to be widely supported. Since the conference, Ty has been working to gain support from DOE as it was mentioned during several discussion that the resolution needs an environmental backing, not just an agricultural backing.

Carter presented an award received at the WACD conference. SCD was named the Conservation District of the Year. Carter read a thank you letter she wrote to WACD and asked Scheele to sign letter on behalf of the District.

Board/CEO Relationship

SRF Program Financial Overview

Meyer said it's been a quiet end of the year for the SRF program. There were no new loans in November and it looks like December will be the same. However, he said we have the funds to support a favorable December. He said that rates on equipment are great right now but it appears producers have pulled back in their spending this year. Scheele asked about impact of the passing of Section 179. Section 179 will increase tax write-offs for equipment from \$25K to \$500K. Discussion ensued.

Carter asked about the status of the SCD tractor. Meyer said it's advertised for sale right now at \$295K which is at the bottom of the price range. There haven't been any inquiries. Meyer stated that he's brainstorming ideas of how SCD can utilize the tractor in other ways to generate more revenue.

Financial Overview

Greif went over the loans receivable, interest accrued, physical assets of the SRF program and outstanding debt. He has developed a chart that demonstrates the loan to asset gap of the District. He said if there is anything else that the Board would like to have measured to let him know and he will start tracking and presenting these performance measures.

Grief pointed out that \$327K from our assessment was received bringing us up to budget for this activity. He also pointed out that there wasn't any receipting from the drill program in November. As of November we are at 101% of budgeted revenues and 105% of expenses.

Carter pointed out that there was a big bump in expenditures in November due to Jim Armstrong's leave buy-out. Since Carter didn't anticipate Armstrong retiring in 2014 she hadn't included built this figure into the 2014 budget. However, due this she said that she made some adjustments to the 2015 budget as there are some District staff that are getting closer to retirement, although she is unaware of any planned retirements at this time.

2015 Draft Budget

Carter presented the final 2015 draft budget. She highlighted the changes she made since the last version. These changes include a slight increase to the assessment and grant salary reimbursement line items. She modified the district admin, LGIP interest and the tree sales line item to match actual. The Small Farms Conference revenue was also increased due to our ability to gain more sponsorships in 2014 and expected increased due out partnership with the Tilth conference in 2015. Vicki also discussed the proposed salary and benefits for 2015, noting that she included additional funds in the event of unscheduled buy-outs due to retirement, termination, etc. Increases will follow the projected COLA for 2015, with some additional increases allowed for changes in responsibilities.

Motion Sullivan/Shrauger to approve the 2015 budget as amended and presented. Motion carried.

OPERATIONAL EXPECTATIONS

Correspondence and Announcements

Carter talked about needing to update our signature authorities for check signing with Jim Armstrong's retirement. She noted that she'd like to remove Armstrong and replace the SCD staff authority with Ty Meyer. She passed around the signature page and all Board members and Meyer provided their signature. She also asked for Board approval to add Cori Turntine to our Bank of Fairfield accounts.

Motion Sullivan/Miller to approve adding Cori Turntine with access to the District's Bank of Fairfield accounts. Motion carried.

Carter informed the Board that the NACD summer tour scheduled to be held in Spokane in July 2015 and they have asked for SCD's assistance in coordinating the tour. Vicki will be working with NACD and WACD to put together an all-day tour of the Palouse.

Dates:

- January 20-22: PNDSA Conference, Kennewick
- February 1-4: NACD Annual Meeting, New Orleans
- February 3-5: Ag Expo, Spokane
- February 19 – Turf, Tree and Landscaping, Post Falls

Carter announced that Eric Choker is working with a landowner who is interested in partnering with SCD. They own property that has agricultural land, forest land, a stream, old equipment, etc. They aren't interested in selling the property but are interested in establishing a use agreement in exchange for conservation practice

implementation on the property.

Carter mentioned that the Morning Star Boys Ranch project has a conditional use practice requiring a riparian fence and that there was a miscommunication between the Ranch and the Foundation about this fence. We are currently working with both entities to try and find an amicable resolution.

Carter announced that SCD was awarded a statement of support from the Guard and Reserve. She also passed around a framed photograph that was provided by the Spokane Sheriff's Office with deputies and their K-9s. This was provided as a thank you for allowing the use of our facility as a K-9 training center.

Executive Session

None

CLOSING OF MEETING

READING OF THE MOTIONS

Motion Miller/Shrauger to accept the agenda as presented. Motion carried.

Motion Scheele/Miller to accept the November 12, 2014 Meeting Minutes. Motion carried.

Motion Shrauger/Sullivan to approve the November TREASURER'S REPORT as presented. Motion carried.

Motion Miller/Sullivan – to approve Accounts payable as amended. Motion carried.

Motion Shrauger/Sullivan to set the 2015 election for March 10, 2015 from 7:30-4:00pm. Motion carried.

Motion Miller/Sullivan to approve the 2015 Board Meeting schedule. Motion carried

Motion Sullivan/Shrauger to approved 2015 budget as presented. Motion carried.

Motion Sullivan/Miller to approve adding Cori Turntine with access to the District's Bank of Fairfield accounts. Motion carried.

Meeting adjourned at 7:18 pm.

Respectfully submitted by: Cori Turntine

Jerry Scheele, Board Chair

Randy James, Vice Chair