

**SPOKANE CONSERVATION DISTRICT**  
 210 N. Havana, Spokane, WA 99202  
**BOARD MEETING MINUTES**  
 Tuesday, April 8, 2014

**PRESENT**

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

**Absent:** Randy James

**Associate Supervisors:** Phil Small, Dixie Riddle

**SCD Staff:** Vicki Carter, Jilla Loan, Erica VanNatta, Jim Armstrong,  
 Ty Meyer, Eric Choker, Walt Edelen,

**Guests:** Chad Greif, BIAS; Steve Sprecher, NRCS; Bobby Burken, NRCS; Candace Bennett, WA Fish and Wildlife; Erik Lewis, WA Fish and Wildlife.

Chair Scheele called the meeting to order at 5:35 pm. He presented the agenda, noted that the date was incorrect and moved Jim Armstrong's section toward the beginning.

**Motion Shrauger/Sullivan to accept the agenda as presented by Chair Scheele. Motion carried.**

**PREVIOUS MEETING MINUTES**

Minutes from the March 11, 2014 meeting had previously been distributed for review.

**Motion Shrauger/Miller to accept the March 11, 2014 Meeting Minutes. Motion carried.**

**TREASURER'S REPORT**

**Auditor Jaki Shrauger, presented the Treasurer's Report for March, 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	929.95	13,122.34	13,904.82	147.47	0	147.47
Bank of Fairfield Checking	-261,890.07	2,180,057.46	1,821,450.93	96,716.46	158,882.92	255,599.38
Bank of Fairfield MMA	34,168.80	300,035.83	0	334,204.63	0	334,204.63
<b>LGIP</b>	<b>1,250,155.60</b>	<b>1,000,154.48</b>	<b>0</b>	<b>2,250,310.08</b>	<b>0</b>	<b>2,250,310.08</b>

Auditor Shrauger verified the account totals prior to the meeting. All totals matched, but we had not yet received NW Pipeline Savings and Argonne Mitigation Fund statements. Chair Scheele asked about the PayPal account. The PayPal account is used to process credit cards online and in person. The fee is 2.7% + .30 per transaction. Customers have taken advantage of the online purchasing and some customers bought more during the surplus sale because of the ability to use credit and debit. The fees are being absorbed with price increases. **March Treasurer's Report: Receipts: 9772-9794, 9799, 9803-9833, 9839, 9842, 9847-10118, 10157, 10171, 10195, 10199, 10206, 10213; Claims: 42012-42110; EFTS: 706-718, 970-971, 981-992, 1011-1012, 1015-1017, 1147; Voids: 41886. April Accounts Payable: \$228,312.49.**

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

**NEW BUSINESS / LINKAGE TO COMMUNITY**

***Public Comments and Introductions***

Chair Scheele introduced Steve Sprecher from Natural Resource Conservation Service (NRCS). Sprecher introduced Bobby Burken, their new employee. Burken is on a one year contract and NRCS is happy to have him on board.

Chair Scheele introduced Erik Lewis, private lands biologist, and Candace Bennett from WA Department of Fish and Wildlife (WDFW). Bennett is a conflict specialist who works with private landowners to deal with wildlife conflicts. There are 14 conflict specialists in WDFW. Her tools are advice/education, non-lethal options/assistance, nuisance wildlife control operators, landowner access list (a list of landowners who will welcome hunters), master hunters assistance/hunting, and the damage prevention cooperative agreement.

There are 13 wolf packs in Washington. There are cost-share opportunities for non-lethal wolf control.

### ***Department Report Review***

Jim Armstrong announced that one of his submissions to the [River Restoration Northwest Film Event](#) was selected, so he'll be at the festival May 7. Armstrong distributed a letter to the county commissioners to set the date for our public hearing; he also distributed a resolution to establish the assessment rates. The state legislature capital budget includes an item about public participation in conservation district elections. Armstrong distributed some options for conservation district elections. We need to send a response to WSCC regarding these options by May 19.

### **Motion Sullivan/Miller to approve the draft resolution, and to send the resolution and accompanying letter to Spokane County Commissioners. Motion carried.**

Walt Edelen requests the board attention on several items. First, he would like to know how the board wants staff to handle the next batch of water quality violation letters (also referred to as potential to pollute letters) from WA Department of Ecology's (DOE) to landowners. Discussion regarding the letters and possible procedural solutions took place. The goal is to make it clear that the SCD is available for assistance, but not "in cahoots" with DOE. We also want the DOE letters to make it clear that the landowner has a file at the DOE office that is available for the landowner to obtain.

The Board advises the following policy:

- Advise DOE to add information to the letter regarding the landowners file and how to obtain it
- Do not ask for or accept advanced notice of polluters or a polluters list from DOE.
- Continue to promote our programs and in doing so, let it be known DOE sends letters and when landowners contact us regarding a letter, we provide assistance, our programs, our cost-share opportunities.
- Also through our programs we will advise that if a letter is received, the best first step is to obtain the file from DOE and that we will not be aware of the details until the landowner provides them from the file.

Edelen described another hurdle with working with landowners: buffer requirements and conditioning of practices. If any DOE funding is used for any BMPs, first, the riparian issues must be addressed including National Oceanic and Atmospheric Administration (NOAA) buffers. A new facet of the policy has emerged favorably. *If* a landowner is working with a conservation district, *then* they qualify to put up a fence inside of the NOAA buffer. Previously the fence would be considered a structure and would not be allowed. There will be paperwork for the conservation district to submit regarding the landowner's project. While this issue was getting resolved, we had several projects on hold for so long that the DOE grant they would've been completed under expired; \$40,000 of potential funding will be returned to DOE.

Edelen reported on the OSS program, still on track to open May 1, 2014. Guidelines, loan packets, coordination with Spokane Regional Health and procedures are almost ironed out. 48 potential applicants have made contact with Edelen. Vicki Carter announced the resolution for the L140027 and L14S0027 loans and presented it for board approval. She also presented a letter from legal council, Brian Worst, stating that all of his questions were answered.

### **Motion Sullivan/Miller to approve resolution F.04.08.14 for loan agreements L140027 and L14S0027. Motion carried.**

Sprecher reported on the NRCS recent Local Working Group (LWG) meeting. Livestock Waste concerns have not risen as a priority in LWG talks. Meeting minutes will be made available soon. Email comments can be sent to Rich Edlund, NRCS. Sprecher intends to return in a few months to report on the 2014 farm bill affects to NRCS. Ag Energy funding is still available and the technical service provider shortage has been corrected.

Ty Meyer reported that our drill has run 1400 acres this season; Travis Willson is almost halfway done with spring seeding. Most has been spring barley and mustard. Willson is doing CRP takeout in Lamont, WA, but wet, steep hillsides are presenting challenges. Meyer will meet with producers in Willamette, Oregon who could potentially buy our drill. The owner of the past due loans discussed at last meeting will be presented with a three month, three payment solution to consolidate the loans and create new payment schedule. If he does not comply, the equipment will be repossessed.

Phil Small is working on the food policy committee, but it seems like water quality and conservation are not yet a priorities at that level. Food Forest meeting for Poly Judd Park is this Friday, April 12.

## **GOVERNANCE CULTURE**

### ***Financial Report & Analysis***

Chad Greif will be helping Erica VanNatta to compile a tree sale net figure for the May Board meeting. Greif would like to see future budgets include service charges like PayPal/credit card fees. SRF Fund is at 25% of total interest revenue – right on track. Ty Meyer has six new loans that will show on the April balance sheet presented in May. SRF Advertising is at 65% of anticipated expenses and will need to be evaluated. Principal repaid line has been added to the SRF Balance Sheet, separate from fund revenue. Greif reviewed the book cash balance and our book cash and loan assets.

### **Loan Proposal**

Tom Miller, Mary Sullivan and Vicki Carter met regarding the Rhizoterra loan proposal and brought several items of clarification back to Jill Clapperton and Fred Fleming. Fleming returned all items requested in a very timely manner. Carter will not share all information with the board because some of it is private in nature. Fleming has pledged 90 acres of property as collateral. Parts of the property are in CRP, test plots and production. Credit scores were highly favorable. A letter of understanding may be drafted to add a benefit to the district once the work is completed. Miller suggests taking board action that empowers staff to move forward with a letter of understanding before the next board meeting.

**Motion Miller/Sullivan that district staff be empowered to make the loan upon verification of certain conditions to be met which include: assessment of the land that meets or exceeds the value of the loan; a written agreement giving preferential access of the technology for conservation purposes to SCD; annual payments October 1 at 5% interest; and any other considerations to be added by SCD staff. The loan amount will be \$90,000 plus closing costs. Motion carried.**

## **OPERATIONAL EXPECTATIONS**

### ***Board Position Elections***

Board position elections will be held in June because Randy James is absent and Jerry Scheele will be gone in May.

### **Board Schedule**

Some staff and board members were talking about starting the meetings earlier. After discussion the board decided to try 5pm as the new start time for the remainder of 2014, save the July and August meetings that will still start at noon.

**Motion Shrauger/Sullivan to change the remainder of the 2014 meetings with the exception of July and August to a 5pm start time. Motion carried.**

### ***Employee Leave Policy***

Carter presented new employee leave policy documents: the new policy as a separate sheet with revision history and complete Employee Handbooks with the new policy.

**Motion Sullivan/Shrauger to accept the updated annual leave policy as presented. Motion carried.**

### ***Internal Audits/Schedule 22***

Carter suggests removing internal audits from our policy and instead, present the Schedule 22 to staff and use Greif to verify the content. The board agrees that the continual third party oversight by Greif in addition to a schedule 22 presentation by Greif/Carter at the annual planning session will suffice.

### ***Correspondence and Announcements***

- WRIA 55, 57, 54, 56 have combined and will continue work with a new agreement. Memorandum of agreement was sent to Chair Scheele for signature.

**Motion Sullivan/Shrauger to approve the memorandum of agreement. Motion carried.**

- Open Government Training act document was distributed for reference.
- Stevens CD will sponsor FFA Forestry contest on April 15 at the Douglas Falls Grange Park
- Budget Allocation meeting May 23/24 Vicki will attend
- VW Bug and the white van will be sold and a single new vehicle will be purchased

- Firewise billboard in the works
- Annual Meeting tentatively scheduled July 8.
- Miller spoke about his trip to Seattle for the legal training regarding water usage, rights etc... the DVD of the seminar will be purchased to share with staff.

## **CLOSING OF MEETING**

### **READING OF THE MOTIONS**

**Motion Shrauger/Sullivan to accept the agenda as presented by Chair Scheele. Motion carried.**

**Motion Shrauger/Miller to accept the March 11, 2014 Meeting Minutes. Motion carried.**

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

**Motion Sullivan/Miller to approve the draft resolution and send it and the letter to Spokane County Commissioners. Motion carried.**

**Motion Sullivan/Miller to approve resolution F.04.08.14 for loan agreements L140027 and L14S0027. Motion carried.**

**Motion Miller/Sullivan that district staff be empowered to make the Rhizoterra loan upon verification of certain conditions to be met which include: assessment of the land that meets or exceeds the value of the loan; written agreement to give preferential access of the technology for conservation purposes to SCD; annual payments October 1 at 5% interest, and any other considerations to be added by SCD staff. The loan amount will be \$90,000 plus closing costs; five year term. Motion carried.**

**Motion Shrauger/Sullivan to change the remainder of the 2014 meetings with the exception of July and August to a 5pm start time. Motion carried.**

**Motion Sullivan/Shrauger to accept the updated annual leave policy as presented. Motion carried.**

**Motion Sullivan/Shrauger to approve the combined WRIA memorandum of agreement. Motion carried.**

Meeting adjourned at 8:30 pm.  
Respectfully submitted by: Erica VanNatta.

**Gerald Scheele, Chair**

**Randy James, Vice Chair**