

SPOKANE CONSERVATION DISTRICT
 210 N. Havana, Spokane, WA 99202
BOARD MEETING MINUTES
 Tuesday, June 9, 2015

PRESENT

Supervisors: Jerry Scheele, Randy James, Wendy Knopp, Tom Miller

Absent: Jaki Shrauger

Associate Supervisors: Dixie Riddle

SCD Staff: Vicki Carter, Erica Johnson, Cori Turntine, Ty Meyer, Jilla Loan, Barry Tee, Charlie Peterson, Garth Davis, Ben Peterson, Seth Flanders, and William Hulings.

Guests: Chad Greif, BIAS; Mike Baden, WSCC.

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

Approval of Agenda

Chair Scheele presented the agenda and made the addition of swearing Wendy Knopp in officially. Scheele also added Mike Baden, WSCC regional manager to the agenda, and a report from William Hulings after the Forestry report. Scheele introduced Seth Flanders, the summer water resources intern.

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

Previous Meeting Minutes

Minutes from the May 12, 2015 board meeting had previously been distributed for review. Scheele noted that Lind, Washington needed to be changed to Lynden, Washington in the section about the Vets on the Farm trip to the west side.

Motion Miller/James to accept the May 12, 2015 Meeting Minutes. Motion carried.

TREASURER'S REPORT

Acting Auditor Tom Miller, presented the Treasurer's Report for May, 2015.

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	0	62.61	62.61	0	0	0
PayPal Transfer Acct	241.49	171.61	3	410.10	0	410.10
Bank of Fairfield Checking	69,940.72	849,870.91	187,295.68	732,515.95	75,155.11	807,671.06
Bank of Fairfield MMA	567,185.19	135.19	0	567,320.38	0	567,320.38
LGIP	2,353,15.66	285.46	0	2,353,438.12	0	2,353,438.12

Prior to the meeting, acting auditor Tom Miller reviewed the available bank statements for May to verify the balances on all accounts. We had not yet received several statements, and we had no cancelled checks to verify. Carter distributed an updated version of the Treasurer's Report. Carter noted that the checking account received \$400,000 in assessment funds, some of these funds were transferred to LGIP. **May Treasurers Report: Claims: 43152-43227, Receipts: 11481-11554, EFTs:1046-1058, 1103, 1142-1143, 1154-1168, 1204-1206, Voids: 43157 (cancel check), 43155, 43156 printer errors, Refunds: none. June Accounts payable: \$148,106.99.**

Motion James/Miller to approve the May TREASURER'S REPORT and June Accounts Payable as presented. Motion carried.

NEW BUSINESS / LINKAGE TO COMMUNITY

Public Comments/Introductions

Chair Scheele introduced Mike Baden from Washington State Conservation Commission (WSCC). Baden is the WSCC NE Regional Manager. He provides Quick Notes every month in the board packet. The NE Regional Meeting in November will be held in Stevens County. Baden relayed that the legislature has until June 30 to pass a budget. The WSCC has a capital funds policy that has been updated; it is available for comment until June 22 and then will be finalized. One of the changes was in regard to how employees and supervisors can receive cost-share. Cultural resource review is another new aspect of the policy; training will be provided on this and commission funds will pay for the expenses related to cultural resource review. Baden attended the latest Department of Ecology water quality meeting. They have created a guidance document that a producer can use to assess their risk. The DOE identified 262 sites with potential to pollute in the southeast area of Washington and 20 letters will be sent as a result; ten "good job" letters will also be sent.

Pend Oreille CD has a new manager that Baden has been helping get established.

Forestry Department Report

Garth Davis presented based on his monthly report. He introduced Ben Peterson, SCD arborist and forester, and William Hulings, our Vets on the Farm intern who has been helping with forestry tasks. Regional Urban and Community Forestry promotions include Tree City USA, tree inventories, tree management plans, pruning workshops for city workers, and grants for cities to take advantage of these programs. Washington and Oregon Urban and Community Forestry programs join together to offer training. Davis spends a lot of time to help produce this training. The forestry department offers technical assistance (TA) so that forester owners can get answers to their questions or get help with forest management. Davis does Tree TAs, Landscape TAs, and Forest TAs; this is also a chance to help connect landowners to cost-share opportunities.

We are the regional education coordinator for the Pacific Northwest chapter of International Society of Arboriculture (PNW ISA). Our most recent workshop was Trees in the Law. Board Supervisor Miller was one of the speakers. Tree School is a new, day-long educational event and this year it is August 15. Community Canopy is a cooperative organization in Spokane and North Idaho that provides education. Every spring Ben Peterson hosts an SCC Horticulture root pruning lab class here at the SCD. Baden, Davis and Peterson assisted the high school FFA forestry competition in Chewelah. Peterson runs the Avista Shade Tree program. Our third fall tree sale is this fall and will probably be our last effort at a fall sale. Davis is the consulting forester for Spokane County including hazard tree assessments, coordinating forestry contractors for fuels reductions, and more.

Firewise program has blown up this year! Peterson put more than 700 hours in Firewise last year with 130 site visits. A Firewise advertising campaign will start June 15th including billboards, pizza boxes, radio ads, tv ads and print media. Peterson seeks to create Firewise Communities by finding that community leader or neighborhood spark plug to get the group started. A Firewise Community has an increased chance of getting cost-share financing for Firewise projects in that neighborhood.

We plant right of way trees for City of Spokane Urban Forestry and this year we helped with their "big tree giveaway" and four ponderosa seedling planting projects.

Washington D.C. Trip Recap

Hulings gave a summary of his trip to Washington D.C. with Wendy Knopp and Northwest Farm Credit Services. He had the opportunity to tour D.C., taste the local cuisine, meet several senators and representatives, interact with Veteran Farmers at an event hosted by the USDA and learn about the “Homegrown by Heroes” branding program. He had a personal meeting with Cathy McMorris-Rodgers that resulted in an additional meeting to be scheduled here in Spokane with Vicki Carter as well. There is a lot of enthusiasm for our Vets on the Farm program and similar programs and efforts are being implemented throughout the country. Ours is unique in that it is being delivered through a conservation district. This gives the opportunity for the program to go nationwide through all 3,000 conservation districts.

GOVERNANCE CULTURE

Financial Report

Greif relayed the information from the balance sheet. There were no loan payments to the DOE in May. We are on track with 41% of expected expenditures for budget and salary. The Tree Sale Expenses line is over budget, 110%. This is a coding error and will be corrected.

BOARD/CEO RELATIONSHIP

Financial Discussion

Greif noted that the funds received in April 2014 from DOE were from the EPA Drinking Water Capital Facility loan. These were federal funds. When \$500,000 of federal funds like these have been spent by an entity, a single federal audit is required. A single audit is very expansive and expensive. When we report expenditures on the state Schedule 15 & 16 (state & federal grants) we will receive notices from grantors on how much they have expended on their federal and state grants. At one point this spring, we were told that we were subject to a single federal audit and an automatic finding. This is based on interpretation because we first used district funds to complete the loans in 2013 and then in 2014, we received reimbursement through vouchering. The question is: is the expenditure in 2013 or 2014? We are seeking advice. Another question is: why was this not identified in our state auditing processes? The loan contracts do have a **CFDA** number that raises notice to the contractor to use the Schedule 16. However, many of our contracts have this number because they were originally federal funds, but were state property long enough so that they are no longer considered federal by the time we receive and use them. It has been recommended to us to “over-report” and edit later. We will have single audits for the next couple years at a cost of \$16-17,000. In researching this problem, we have found an intricate web of inconsistency in the A133 contracts and policies.

OPERATIONAL EXPECTATIONS

SRF Program Update

Meyer has been spending most of his time on the Auditing issue. Loan market is touch and go with weather and crop variables. Sometimes June & July sees a bump. Payments are coming in steady with a few payoffs as well. Meyer is still researching the question about ditch maintenance equipment being financed through the Direct Seed Loan Program. A direct seed farmer has a ditch that fills with soil due to erosion from his neighbor’s conventional operation. After much discussion, the consensus from the board was that this is common sense conservation and we will complete the loan out of internal funds and include language that it is the landowner’s responsibility to obtain any permits necessary for any work completed with the equipment.

Motion Miller/James to proceed with financing of soil health maintenance equipment for direct seed and no till farmers. Motion carried.

OSS Program Update

Barry Tee notified the board that the Onsite Septic System program completed nine connections in May, all in the Spokane Valley. This consisted of \$2,913.94 in grants and \$27,155.66 in loans.

Vets on the Farm Update

Carter is excited for the Vets on the Farm debut at the Fairfield Flag Day Parade at on June 13. Be there at 10:15 to get in the parade line. Randy Emtman will drive the tractor. Anyone who wants to join is welcome to dress up red, white and blue and walk in the parade. We have investment information for people to donate at different levels. We will also be taking applications for Veterans and Internship Hosts. Spokane has one of the largest patriotic footprints in the country. We are a model for getting this done and hope for conservation districts across the nation to follow suit. We are looking at VetCorp funding, hitting a lot of parades and events, and looking forward to the November event. Northwest Farm Credit Services legal team has helped us to trademark our Vets on the Farm logo and our New Mission tag line. We are running all donated funds through the RC&D so that the funds are tax deductible as a donation to a 501c3.

Asset Inventory Policy

Cori Turntine explained that this is not a new policy but has been put in a format that is consistent with our other policies, including the procedures.

Motion James/Miller to accept the asset inventory policy as presented. Motion carried.

CLOSING OF MEETING

Correspondence and Announcements

Carter distributed the WSCC master contract for signatures.

Motion James/Miller to accept the 16-40 master contract from the Washington State Conservation Commission. Motion carried.

Carter reviewed an update in costs and coverage from our insurance, Enduris.

NACD Tour is Monday, July 13. Carter needs a head count ASAP of board and staff that are attending. Roylene Rides at the Door will be riding to WADE with Carter; let Carter know if you have any comments or concerns for Roylene.

Dates:

- June 13, 2015: Fairfield Flag Day Parade and Fair – Vets on the Farm tractor debut
- July 13, 2015: NACD Summer Meeting in Spokane. Tour stops will highlight farming on the Palouse. 200-250 people could attend; 50-60 policy people, CD supervisors from the nation and local officials.
- July 14: SCD Board Meeting at *noon*
- July 22: Rhizoterra Field Day at Fred Flemming's Farm in Reardan.
- August 11: SCD Board Planning Session, all day including public officer's training
- August 11: SCD Board Meeting at *noon*
- November 13: INW Small Farms Conference and Country Living Fair, part of Tilth Conference, November 13-15.

READING OF THE MOTIONS

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

Motion Miller/James to accept the May 12, 2015 Meeting Minutes. Motion carried.

Motion James/Miller to approve the May TREASURER'S REPORT and June Accounts Payable as presented. Motion carried.

Motion Miller/James to proceed with financing of soil health maintenance equipment for direct seed and no till farmers. Motion carried.

Motion James/Miller to accept the asset inventory policy as presented. Motion carried.

Motion James/Miller to accept the 16-40 master contract from the Washington State Conservation Commission. Motion carried.

Meeting adjourned at 7:12pm. Respectfully submitted by: Erica Johnson

Jerry Scheele, Board Chair

Randy James, Vice Chair