

SPOKANE CONSERVATION DISTRICT
 210 N. Havana, Spokane, WA 99202
BOARD MEETING MINUTES
 Tuesday, October 13, 2015

PRESENT

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

Absent:

Associate Supervisors: Dixie Riddle

SCD Staff: Vicki Carter, Jilla Loan, Erica Johnson, Cori Turntine, Ty Meyer, Walt Edelen

Guests: Rich Edlund, NRCS; April Edelen, guest

Chair Scheele called the meeting to order at 5:07pm.

Approval of Agenda

Chair Scheele presented the agenda for October 13, 2015.

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

Previous Meeting Minutes

Minutes from the September 8, 2015 board meeting had previously been distributed for review.

Motion Miller/James to adopt the September 8, 2015 Meeting Minutes. Motion carried.

TREASURER’S REPORT

Auditor Jaki Shrauger, presented the Treasurer’s Report for September, 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	212.64	1,286.83	1,367.83	131.64	0	131.64
PayPal Transfer Acct	350.00	1,367.83	817.01	900.82	0	900.82
Bank of Fairfield Checking	-1,593.50	339,569.12	313,559.91	24,415.71	63,953.01	88,368.72
Bank of Fairfield MMA	369,815.24	91.19	0	369,906.43	0	369,906.43
LGIP	3,104,479.98	450.23	0	3,104,930.21	0	3,104,930.21

Prior to the meeting, Shrauger reviewed the Treasurer’s Report and Accounts Payable. She verified account balances and statements, and accounts payables for the past three months. The cancelled checks have not been sent to us by Bank of Fairfield in this time period, but will seek this verification as well. **Treasurer’s Report: Receipts: 11828-11830, 11832-11921, 11930-11931; EFT: 1880, 1966-1978, 1987, 2013-2015, 2017-2027, 2110, 2120-2122, 2125-2126, 2174; Claims: 43465-43536; Voids: none; Refunds: none. Accounts Payable: \$262,417.52.**

Motion James/Knopp to approve the September TREASURER’S REPORT and October Accounts Payable. Motion carried.

NEW BUSINESS / LINKAGE TO COMMUNITY

Public Comments/Introductions

Chair Scheele noted that there were no introductions to be made and no public comments offered.

Water Resources Report

Walt Edelen presented the 2015 highlights for his department as Onsite Septic System (OSS), Livestock and Land (L&L), Family Forest Fish Passage Project (FFPP), WRIA, Engineering, Washington State Conservation Commission (WSCC) Implementation Projects, and more. Funding sources for his program

vary from Department of Ecology (DOE), WA Recreation and Conservation Office (RCO), Washington State Conservation Commission (WSCC), and others. Fiscal Year 2017 New Proposals include a new OSS grant (phase II) that will increase the grant side of the program funding; funding for this application cycle is highly competitive. Our Greater Spokane River Watershed RCPP is a ten million dollar, multi state project that uses the idea of a commodity buffer; see Edelen for more information.

OSS program has completed 86 projects since July 2014. This represents \$185,000 in loans. L&L program completed five projects within the last year; this is compared to 21 last year. There were some contract and permit hold ups that slowed down that work, but the completed projects were high quality and innovative. There were 34 L&L technical assistance visits. Willow Warrior Weekend planted 5,000 willows in 2015, but had to use a much earlier date due to low stream flow; 41,000 willow whips planted in program lifetime. FFFPP has worked with 17 landowners since 2005, resulting in 20 corrections and 100 miles of fish habitat opened. Edelen presented a fish barrier assessment map that showed how the tributaries were opened up. Stateline Project Maintenance continues as we water 500+ trees and shrubs. Island Trailhead Restoration and Access, Starr Road, and Sullivan Road Bridge Mitigation are new projects in progress.

All Spokane County WRIAs have merged into one group and are pooling funds to pay for SCD to facilitate the group and seek additional funding to implement projects like the two irrigation efficiency projects in Rockford and the one in Latah.

Bear Creek Watershed Realignment project seeks to increase habitat by moving channel to its historic, meandering course. This project affected 1,100 feet of stream. The landowners initiated this project and so far it has been no cost to them. DOE, Washington Department of Fish and Wildlife (WDFW), and Corp of Engineers all had to sign off and permit. Within one day after realignment, heron, otters, fish, and crawfish were present. Sump holes were dug in the old channel for WDFW to collect and re-home remaining fish.

Edelen concluded his presentation by thanking Vicki Carter for her leadership as director and that the accomplishments of the department would not be possible without her. Shrauger asked to be sent the presentation so she could review the maps further.

Champions of Conservation

Carter described a series of radio ads that will highlight our departments and customers in a conversational style, conservation conversations. Champions of Conservation awards will be presented at our Annual Meeting on November 13 and include the Horlachers, the Nicholas's, Tim and Anna from WSU Ext., Northwest Farm Credit Services and Randy & Lisa Emtman.

GOVERNANCE CULTURE

Intent to Adopt Election Date

This is for the position held by Jaki Shrauger. We posted a notice in the paper to set the election date tonight.

Motion James/Shrauger to adopt March 8, 2016 as our SCD Election Date. Motion Carried.

Board Officers Election

Motion Knopp/James to keep board positions the same until March after the election. Motion carried.

Statewide Funding Options

Carter distributed a document regarding potential election options that were presented to Carter and

Scheele at the WSCC Meeting in Ellensburg. There were 20+ districts represented and a single solution did not fit everyone. Carter then distributed a document regarding potential statewide funding options that were discussed at the same meeting; there are four main options: a) increase assessment levels within each district, b) statewide per parcel change, c) dedicated sales tax, d) funding to match dollars. All options would require a change to our current RCW 89.08. Carter noted that these will be discussed greatly at the NE Area Meeting and probably the WACD meeting; please read through and give feedback to Carter, Miller or Scheele. Carter, Jim Armstrong and Eric Choker will be looking into a rates and charges system. There are now 15 CDs with assessments and 2 with rates and charges systems.

SAO Report

Turntine reported that field work is done with the audit. The exit document had one recommendation for our financial and federal 2014 audit, but it was an internal, housekeeping item. It has actually been resolved already, but in the 2014 period. For the 2013 single audit, we will hear back next month. Meyer and Carter thanked Turntine for handling these audits.

WACD Resolutions

RSVP for Oct. 20 NE Area Meeting – Cori Turntine, Miller, Scheele and Carter will attend in Chewelah.

Miller is up for election in his position as NE Area Rep for WACD. Biennial elections will change some of the WACD leadership at the WACD Annual Meeting. Scheele brought up the King CD letter and Resolution that was distributed in our board packets. Miller noted that the resolution seeks to increase policy and transparency in the WACD and the executive committee, but these policies should already be in effect as per the public meetings act. Carter noted that a similar resolution may be coming out of Ferry County that we will see at the NE Area Meeting. Carter added that we are the second to the last area meeting to be held, so some of the wording and other similar resolutions will be vetted by the time our meeting takes place.

Miller has been approached for running for the executive committee. He has expressed interest in running for Vice President. Miller believes the number of representatives could be cut in half, good governance needs to be instituted, resolutions need to be given teeth, and district dues need to have a return on investment from WACD. Miller gave a brief overview of the lawsuit against WACD regarding a public records. Dixie Riddle brought up the key question: what *should* WACD do? Carter noted that the commission takes the lead on many tasks that would seem to be within WACD's scope. Riddle suggested starting over with new representation. Scheele would like to see the any new resolutions prior to the Area Meeting before we state whether or not we were in favor.

A letter from the Farm Bureau Letter and a draft resolution "Promoting Reasonable Standards for Agricultural Activities and Environmental Requirements" were presented to the board for review and approval to take to the NE Area Meeting. Ty Meyer noted that the recommendations outlined are very similar to what we are already doing. He would like to see language regarding the avoidance of a single practice being treated as a silver bullet regardless of upland farmland practices. An emphasis on a conservation plan rather than the adoption of an individual practice would be important to incorporate. However, Edelen countered that a full plan might be a bit cumbersome for a landowner dealing with a single resource concern. Rich Edlund, NRCS, said that a "conservation system" could be adopted as a smaller plan that would be a suite of practices rather than a complete RMS plan. Carter asked the board if they would like to see SCD take the draft given to us by the Farm Bureau and work on it to bring it to the NE Area meeting.

Motion James/Shrauger to prepare a resolution based on the presented draft "Promoting Reasonable Standards for Agricultural Activities and Environmental Requirements". Motion carried.

Financial Overview

Postponed. Chad Greif from Bias is unable to attend.

OPERATIONAL EXPECTATIONS

2016 Draft Budget

Greif and Carter used a 2% increase in the expected assessment dollars for 2016 and in November we should have a finite figure to work with from the County. Increases in revenues are listed at 7.1%; this is coming from grant salary reimbursement with the hope that we are selected by the county for VSP. Salaries and benefits line has a \$12,000 allowance for cash out of annual leave accrual. As part of a recent employee termination, we will be buying back leave in January and use part of that line item. For the Building Repairs and Maintenance budget, Greif has suggested that we replace them one at a time at approximately \$5,000 each before they fail. This will spread out the cost. Carter reported our buyout liability at \$120,576.83 as of September 30, 2015. Carter will continue to refine the draft budget in November and December.

Carter and Meyer have been looking to start a Small Acreage Customer Operation program with and believe the best fit may be to make the program in house and tied in with our Vets on the Farm program. In conversation with Carter, Greif had noted that this would be a revenue generating program and that's what the district needs. Carter distributed a draft employment description and the business plan for the program. The equipment to be purchased over time, and first year of annual salary and benefits would total approximately \$200,000. It is a project specific hire and would be a veteran. The salary is included in the draft budget that was distributed. Meyer detailed the regenerative system that the potential hire has developed with Dr. Jill Clapperton. Taking the \$200,000 total start cost and anticipated revenue, the net cost to start the program would be \$175,000. Meyer can purchase the equipment using a loan from the 401 account.

Motion Shrauger/James to approve a small acreage manager position and equipment purchase to start an SCD custom operation program. Motion carried.

Correspondence and Announcements

Side lateral sewer systems for OSS program - Barry Tee created a proposal for the board stating that the side lateral program would loan \$1,500-\$2,500 per project using *internal* loan funds and it would be loans only, no grants, with 5.6% interest. It would use the same approval requirements as current OSS projects.

Motion Miller/James to finance the side lateral OSS repairs using SCD internal funds. Motion carried.

Carter presented a letter from Dr. Clapperton regarding her loan payment.

Motion Miller/James to extend Rhizoterra loan payment until December 15 without penalty, provided that we are paid the current accrued interest at the original schedule and additional interest in December. Motion carried.

Carter presented OE-4 for review and requested a modification based on a recent SAO recommendation.

Motion James/Shrauger to add "And adjust salaries as appropriate" to OE-4. Motion carried.

Dates:

- October 20: WACD Area meeting in Stevens County
- October 21: State FFA Land Judging Contest
- October 22: WSU Livestock Producer Meeting, Fairfield
- October 23: WSU Livestock Technician's Meeting, Ellensburg

- November 13: Farm-A-Palouse-A in conjunction with the Washington Tilth Producers Conference, November 13-15.
- December 1-3: WACD Meeting Doubletree Spokane
- Winter Quarter: Vet-Farm Cultivating Success Course at SCC
- February, 2016: NACD, Reno NV

READING OF THE MOTIONS

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

Motion Miller/James to adopt the September 8, 2015 Meeting Minutes. Motion carried.

Motion James/Knopp to approve the September TREASURER'S REPORT and October Accounts Payable. Motion carried.

Motion James/Shrauger to adopt March 8, 2016 as our SCD Election Date. Motion Carried.

Motion Knopp/James to keep board positions the same until March after the election. Motion carried.

Motion James/Shrauger to prepare a resolution based on the presented draft Promoting Reasonable Standards for Agricultural Activities and Environmental Requirements". Motion carried.

Motion Shrauger/James to approve a small acreage manager position and equipment purchase to start an in house custom operation program. Motion carried.

Motion Miller/James to finance the side lateral OSS repairs using SCD internal funds. Motion carried.

Motion Miller/James to extend Rhizoterra loan payment until December 15 without penalty, provided that we are paid the current accrued interest at the original schedule and additional interest in December. Motion carried.

Motion James/Shrauger to add "And adjust salaries as appropriate" to OE-4. Motion carried.

Respectfully submitted by: Erica Johnson

Jerry Scheele, Board Chair

Randy James, Vice Chair