

SPOKANE CONSERVATION DISTRICT
 210 N. Havana, Spokane, WA 99202
BOARD MEETING MINUTES
 Tuesday, August 9, 2016

PRESENT

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

Absent: Randy James

Associate Supervisors: Dixie Riddle

SCD Staff: Vicki Carter, Erica Johnson, Pat Munts, Ty Meyer, Nate Lewis, Ben Peterson, Stacey Selcho, Eric Choker, Barry Tee, Cori Turntine,

Guests: Chad Greif, BIAS, Ruth Ritterman, Mike Baden, WSCC

Chair Scheele called the meeting to order at 12:15pm and led the pledge of allegiance.

Approval of Agenda

Chair Scheele presented the agenda for approval.

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

Previous Meeting Minutes

Minutes from the July 12, 2106 board meeting had previously been distributed for review.

Motion Miller/Shrauger to approve the July 12, 2016 Meeting Minutes. Motion carried.

TREASURER’S REPORT

Auditor Jaki Shrauger, presented the Treasurer’s Report for July 2016.

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	302.28	2,134.07	1,611.75	824.60	-302.28	522.32
PayPal Transfer Acct	1,358.52	1,611.75	0	2,970.27	0	2,970.27
Checking Inland NW Bank	43,421.34	230,890.07	219,323.44	54,987.97	32,090.87	87,078.84
MMA Inland NW Bank	753,381.57	95.72	0	753,477.29	0	753,477.29
LGIP	3,013,160.68	1,252.67	0	3,014,413.35	0	3,014,413.35

Prior to the meeting, Shrauger started with the current, July Treasurer’s report and read the verified account balances and made note that the Pipeline Savings account was lower in the account system compared the statement. Carter will review and believes that there is a service fee that was not recorded. **July Treasurer’s Report: Receipts:** 13086-13092, 13097-8, 13100-13121, 13125-13193, 13195-13201; **Claims:** 44234-44310, 44331; **Voids:** 44252, 44255, 44287, 44301 (duplicates), 44265 & 44278 (printer error), 44282 (not valid); **Stop Payment:** 44127; **EFT:** 1748-1761, 1812-1813, 1842-1843, 1896, 1923, 1934-1938, 1942-1946, 1986, 1988, 1990-1991, 2014.

She then reviewed the accounts and balances from June that were not presented at the July meeting. She reviewed and verified the balances prior to the meeting; it had the same Pipeline Savings discrepancy and otherwise was in good order. Chad Greif answered a question about the function of the outstanding receipts and expenditures columns. **June Treasurer’s Report: Claims:** 44131-44233; **Receipts:** 12985-12986, 12992-13085, 13093-13095, 13099, 13122, 13123, 13124; **EFTS:** 1469, 1475-1488, 1543, 1608, 1622-1634, 1640, 1645, 1648, 1649, 1672-1677, 1688, 1743-1744; **Voids:** 1489 - voided payroll, 44176 - wrong vendor, 44204 duplicate, 1718 duplicate withdrawal, 44184 - printer error.

August Accounts Payable: \$113,587.83.

Motion Miller/Knopp to approve the July Treasurers Report with the noted discrepancy in the Pipeline Savings and August Accounts Payable as presented. Motion carried.

Motion Knopp/Miller to approve the June Treasurers Report with the noted discrepancy in the Pipeline Savings. Motion carried.

NEW BUSINESS / LINKAGE TO COMMUNITY

Public Comments/Introductions

Chair Scheele let Greif introduce Ruth Ritterman, one of the newest employees at BIAS. She is in the support and administration departments.

Ben Peterson gave a brief report from the Forestry Department regarding Firewise. We received a \$50,000 grant from the Washington State Conservation Commission (WSCC) and our deliverables are to do 100 home site assessments, install 250 home address signs, and complete three Firewise community assessments. The address signs are a new part of the program. Proper address signs have always been part of the Firewise assessment rubric, and with this new grant we are able to provide signs for free and install them. Peterson distributed the materials he brings to a Firewise assessment and walked the board through the documents. The average assessment can take an hour, but could be more time if the landowner has a lot of acres or a lot of questions. Often the assessment brings up questions on forest health, soil testing, tree sales, and unrelated questions. Peterson is currently working near Fairchild Air Force base to do a Community Assessment at Deep Creek Ranchette Community.

WSCC Update

Mike Baden from WSCC noted that many districts are trying to implement Firewise programs, especially on the Westside. It is important for the board to note that Department of Natural Resources (DNR) is also a Firewise agency and this money was designated by the legislature for the districts to use. It's an ongoing discussion to balance the work between the agencies. Ty Meyer spoke about the Snake River Canyon Fire near his home that drew fire fighters locally and from the west side of the state.

Baden reported that deadlines are coming up for the annual report pages and comments on the proposed changes to the Election Manual and forms. They are discussing changing the election time period to a specific day or week; benefits could be coordination between districts for election outreach. The sample election resolution form is online as well. There have been a couple all district meetings for budget development and there are four subcommittees developing proposals. Mike asked for individual cooperators who would testify with the legislature or write in a testimony, as well as associations and user groups and stakeholders. WACD has a new executive director and he will be taking the lead on this. Changes to overtime are coming up in the new Fair Employment Act; stay tuned. Riparian Training is coming up and will be held at SCD. On September 19-20 WSCC Managers will be at SCD for a planning meeting and probably go on a tour and be available for questions.

GOVERNANCE CULTURE

Directors Discussion

Vets on the Farm

Nate Lewis reported that Home Depot paid for and installed 80% of the fence, but before the fence is completed, they are looking at a lot line adjustment with their neighbor who wants to donate additional land for us to use. That additional property will provide great space for future livestock operations. They have several projects to finish before fall frost. Vicki Carter is meeting at the farm with Rep. Cathy McMorris-Rodgers. This will be a perfect opportunity to highlight the breadth of work that

Conservations Districts do and ask her to try to keep the Veteran and Socially Disadvantaged groups benefits in the Farm Bill. Our Vets on the Farm learning farm is Homegrown by Heroes certified! Our vendors can also use this brand when they create a product from our produce.

Public Records Request

SCD received an email from a company in Boca Raton, FL requesting employee history and data. WSCC advised response via written letter stating our time period to respond.

Equipment Sales

Capital Equipment Northwest came and pitched us some equipment that they were reducing from their local warehouse inventory. The driver said if we paid for the one generator at \$6,700, they would donate the rest. The "idea" was that you could sell a couple pieces of equipment to cover the cost of the one you paid for and make money off the deal; however, when Barry Tee reviewed this equipment, the prices were so inflated that you could buy all name brand comparable items for at least \$2,000 less. Mike Baden is communicating this scheme to other districts to be aware. Ty Meyer has seen similar sales operations coming out to farms in his area.

Wire Transfer Agreements

As we do more international agreements and purchases, we are using wire transfers more often. We need a resolution, a daily limit, and an authorized signature card for Wire transfers. Meyer anticipates the limit will need to be greater than \$200,000. There are some clarifying questions that the board raised. Carter will take these questions back to the bank and return with answers to the next meeting.

Annual Cost-share Rate Approval

The Spokane Conservation District Resolution for Cost-share reads that we allow *up to 100% cost-share*. This is our Cost Share Assistance Policy, resolution # AD0916 and needs to be revisited and approved each year.

Motion Miller/Shrauger to approve the SCD Cost Share Assistance Policy, resolution # AD0916. Motion carried.

On-Site Septic System (OSS)

Carter and Barry Tee also presented a proposal to increase our limit for internal loans in the OSS program so that the maximum is \$10,000 per project and the program limit is \$50,000. Tee noted that he now has a subscription to auditor records software so that he can secure deeds of trust without paying a third company. This has cut costs in half for this step of the process.

Motion Miller/Shrauger to approve the increase in limits for the internal OSS loans such that the per project maximum is \$10,000 and the annual program limit is \$50,000. Motion carried.

Tee was making house calls for past due OSS customers and found one house to be foreclosed and vacant. This will be our first charge-off on our loan-loss reserves. This process was planned with the inception of the program and board approval of the OSS program. Tee asks for a motion to formally acknowledge this transfer.

Motion Miller/Knopp to charge-off loan number OSS-14-15 in the amount of \$1,802.71 to the loan-loss reserve. Motion carried.

Direct Seed

Carter spoke about the Annual Planning Meeting last month and the discussion about highly erodible lands and CRP take-out. Meyer will bring a proposal to the board next month to try and address the conservation gap caused by lack of renewal on CRP contracts in Spokane County. The NE Area Meeting is

coming up on October 25 in Ferry County and we will meet the new WACD Executive Director Bob Schroeter. Tom Miller had many good things to say about Schroeter and his work so far. We have an outstanding \$1,000 payment for 30 acres two that Turntine and Meyer are trying to resolve. The board agrees to have Meyer make another effort to collect the payment.

Financial Review and Budget Amendment

Chad Greif noted that the distributed balance sheet was actually last month's, but since he wasn't here last month, we can still review it. The July balance sheet is fairly standard, but in the 402-Small Acreage Program fund and 155-OSS fund, there is more data and we are starting to see patterns. It was a good lending month. Greif touched on the Proposed Budget Changes that he, Turntine and Carter have created to keep the remainder of 2016 accurate. Revenue in assessment, Vets on the Farm, grant-salary reimbursement and other categories are all doing really well. The budget amendment increases miscellaneous revenues and grant-salary expectations. The Farm & Food Expo revenue is coming in strong in sponsorships, ticket sales and book sales. Johnson and Greif discussed some technicalities with how to code this accurately for reporting to the board. Activities under the WSCC Firewise grant will be handled as its own fund for grant reporting purposes. The professional services line item will increase by \$60,000 in the budget amendments because of our contract with Dunau Associates for the facilitation of the Voluntary Stewardship Program. Travel & Meetings and public outreach spending categories will also be increased.

Miller asked Greif if he believes the three month improvement on the book to loan value is sustainable. Greif thinks ultimately the high loan rates that we have with the Department of Ecology will hold us back. DOE is giving up to \$5 million grants to cities that are considered in hardship. Meyer was in a meeting with the DOE and was able to provide feedback that they need to have near 0% loans for the projects they really want to succeed and provide a percentage of loans to agencies like ours to cover administrative costs. There is a DOE grant meeting on August 17 in Spokane and Meyer will continue conversations there. Greif is happy to hear about the ideas and potential because he does not believe interest rates are going to go up anytime soon. Greif and Miller agree that if the DOE prioritize their bottom line, they might not get as much conservation in the ground; but, if they listen to their partners and fine tune their policies and contracts, we can all be successful and reduce erosion. In summary, Greif says we are in a good position now, and with continued fiscal management, and pursuing new SRF ideas, we will succeed.

The budget amendment is a midyear proposal of budget changes for the general fund only. We can approve it today or next month if more review is needed.

Motion Knopp/Miller to approve the proposed budget changes for 2016 and attach proposed budgeted changes document to the minutes. Motion carried.

OPERATIONAL EXPECTATIONS

Correspondence & Announcements

Dates:

- Hiring for Heroes Event, August 25
- Vets on the Farm Parade Schedule:
 - Pullman Lentil Festival, August 20

- Ritzville Wheatland Community Fair, September 3
- Deutschesfest, Odessa, September 17
- Spokane ValleyFest, September 23
- Rockford SE County Fair, September 24
- NE Regional Meeting in Ferry County – October 25
- WACD Meeting, Blaine, WA – November 28-November 30
- November 5 – Farm & Food Expo with Joel Salatin

READING OF THE MOTIONS

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

Motion Miller/Shrauger to approve the July 12, 2016 Meeting Minutes. Motion carried.

Motion Miller/Knopp to approve the July Treasurers Report with the noted discrepancy in the Pipeline Savings and August Accounts Payable as presented. Motion carried.

Motion Knopp/Miller to approve the June Treasurers Report with the noted discrepancy in the Pipeline Savings. Motion carried.

Motion Miller/Shrauger to approve the SCD Cost Share Assistance Policy, resolution #AD0916 . Motion carried.

Motion Miller/Knopp to charge-off loan number OSS-14-15 in the amount of \$1,802.71 to the loan-loss reserve. Motion carried.

Motion Knopp/Miller to approve the proposed budget changes for 2016 and attach proposed budget changes document to the minutes. Motion carried

Meeting adjourned at 2:45pm.
Respectfully submitted by: Erica Johnson

Jerry Scheele, Board Chair

Tom Miller, Board Member