Attendees
Supervisors: Jerry Scheele, Randy James, Jaki Shrauger, Wendy Knopp, Tom Miller
Absent:
Associate Supervisors:
SCD Staff: Vicki Carter, Cori Turntine, Ty Meyer, Erica Johnson, Josie Bjordhal, Dan Ross, Jake Clements, Walt Edelen, Garth Davis.
Guests: Chad Greif, BIAS; Brian Werst, legal counsel

Chair Scheele called the meeting to order at 5:00pm and noted that the executive session will include matters of real estate as well as performance of a public employee.

**Motion James/Knopp to accept the agenda with noted change to the executive session. Motion carried.**

Previous Meeting Minutes
Minutes from the February 21 meeting were previously distributed for review.

**Motion Shrauger/Knopp to approve the February 21 meeting minutes. Motion carried.**

TREASURER’S REPORT

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Auditor Jaki Shrauger presented the February Treasurer’s Report and summarized her verification of account balances and cancelled checks. She read the account balances and treasurer’s report figures aloud. She noted that the INW Bank Checking had a discrepancy which Chad Greif noted was due to an adjustment payroll check that had to be receipted into the previous year and it affected the beginning account balances for 2017. Cori Turntine and Greif will re-run reports in order to sync them again. **Treasurer’s Report: Receipts: 14228-14242-14266, 14272-14369, 14402-011403, 14409-14420; Claims:44828, 44830-44831, 44833-44839, 44844, 44845-44900, 44902-44908; EFT: 405-419, 422-423, 563-579, 622, 649-651; Voids: 44840-44842 due to printer error; refund report included in board materials. Accounts Payable: $111, 230.98.**

**Motion Knopp/James to accept the February Treasurer’s Report with the noted reporting discrepancy and the March Accounts Payable as presented. Motion carried.**

NEW BUSINESS / LINKAGE TO COMMUNITY

Public Comments/Introductions
Chair Scheele invited Walt Edelen to introduce the newest member of the Water Resources department. Jake Clements worked with Palouse and Palouse Rock Lake CDs as well as Washington Department of Fish and Wildlife. Clements has been an active member of Vets on the Farm and was instrumental in bring Vets on the Farm to the Palouse Conservation District area. The board in turn introduced themselves to Clements.

Washington State Conservation Commission (WSCC) Report:
Mike Baden noted that the Annual Plan of Work and Financial Report are due the end of May. Elections are
wrapping up this month and final appointee candidates will be selected at the WSCC meeting this month. Baden also mentioned that the WSCC is trying to gauge if districts will have extra funds that will get re-allocated before the biennium. The Good Governance process is undergoing review and changes; Baden distributed a summary to the board. It is being divided into compliance and performance categories; there will be incentives for the performance elements. The compliance elements will be implemented this year and one of the biggest differences is that there is no more “yellow” category, just “red”: fail or “green”: pass. CPDS is getting updated and a series of webinars will be released to help users learn the new features. There has been interest for more data on how operating funds are spent by districts. Fire Recovery funds will expire at the end of the biennium; $5 million was allocated statewide.

GOVERNANCE CULTURE

2017 Election Update
Erica Johnson announced that Randy James has been automatically re-elected as the incumbent and the appropriate paperwork has been filed. Additionally, Tom Miller has submitted application to WSCC for re-appointment.

Board/CEO Relationship

Financial Review
Chad Greif detailed a change from last month on how the operating receivables are reported in the balance sheet. Ultimately, some interest was double counted last month because our SRF loans receivables report included both outstanding loan payments (including principle and interest) and a separate line for accrued interest (including payments made and outstanding). Greif also pointed out the liability listing in the report that reconciles the loan to debt assets gap, the leave payouts, etc... it is the total the represents our liability as if we were to close our doors today. In April another property tax season will bring assessment revenue in. Some say that 2017 may bring 4—5% interest rate hikes from the fed; this could make our loan offerings a good, low-rate option and we could even raise rates and stay competitive. Knopp asked about the positive effect of interest rates going up in regard to our cash accounts. Greif said that our LGIP account is a great short term investment but we make very little on our MMA. A long-term investment strategy should be considered. We can look at higher interest rate investments, but we would need to be prepared to hold the investment until maturity. Greif gave a brief history of boom and bust patterns in the US Stock Market and his belief that we are at the base of a boom that will eventually break as it always has due to human nature.

RCPP Update
Clements reported that the ranking process is wrapping up and estimates that 10 projects will be included in the budget. Our RCPP staff continue to work with NRCS on conservation plans and supporting documents and paperwork. Charlie Peterson, Seth Flanders and Clements have taken a lot of deliberate measures to work with NRCS in a certain way to avoid pitfalls that were discovered as Palouse moved forward with their RCPP. Walt Edelen spoke about our Commodity Buffer program that has 19 projects totaling over 140 acres and 40 miles of buffers to be put on the ground.

Drones
Flanders is now a certified drone pilot with the FFA and is in the process of procuring a large drone. We do have a trainer-drone to practice with the controls. It’s a smaller, cheaper model. Tom Miller was in Iowa State last month and heard a speaker who focuses exclusively on drones. Garth Davis noted that this same person is actually presenting for us at a workshop being planned for August. Edelen is excited to collect aerial visuals and data such as temperature changes in water bodies in our projects.

Project Updates
Snyder property at River Mile 17 will be surveyed again to show the land lost to erosion in this winter alone. In
contrast, the Murdoch two stage channel design that was completed has performed exactly as intended. We are yet to see results of Fire Recovery Projects and we have another 200 acre Fire Recovery Project to be completed.

**VSP**

Base maps have been completed and tables of the intercepts between ag lands and critical areas will be presented at the next VSP meeting. This means the group is really ready to get into the meat of the work. We are in a good position with several districts paving the way and we can learn from them.

**Forestry**

Garth Davis spoke about the summer WSCC tour in Four Mounds several years ago, the same site was visited recently on a Commissioner of Public Lands tour and the district was mentioned positively by partners several times. Another Firewise workshop will be held on March 17 and we expect excellent attendance and participation. Tree sale is in high gear with Ben Peterson and Erica Johnson at the helm. Three of our Vets from VOTF will be helping pack and distribute.

**Executive Session:**

At 6:20pm the regular board meeting recessed to executive session as per RCW 42.30.110 regarding a real estate matter, and the performance of a public employee matter.

At 7:15pm the regular meeting reconvened with no action coming out of the Executive Session.

**Direct Seed Update:**

Ty Meyer spoke with the Snohomish CD that has a landowner that wants to purchase a no-till drill using our loan program. We will need to formalize an MOU with Snohomish CD in order to bring our program to their area.

*Motion James/Shrauger to approve our standard MOU for the Direct Seed program with Snohomish CD. Motion carried.*

Meyer spoke last month about state-level point source programs’ ability to partner with a non-source program. This is formally called a “Sponsorship Option”. Oregon and Idaho have Sponsorship Options. Meyer and Edelen have been working with DOE to explore bringing this to our state. It is being really well received so far.

Meyer reported that a past due loan will be pursued via legal channels. We will continue to follow this procedure for all of our loans in severe default. Knopp recommends formalizing the timeline and deadline for this process to start so that all landowners are treated equally. Meyer and Carter will work on a policy. Knopp also inquired about our aging receivables presentation in the Treasurer’s Report and if we have a procedure for discounting the value of loans that are unlikely to be repaid. Greif described the function of our loan-loss reserves. As Meyer and Carter develop the timeline policy, they will incorporate procedures to address these concerns as well.

**OPERATIONAL EXPECTATIONS**

**Vets on the Farm Update**

Carter said VOTF received a $37,000 grant to help train mentors in our program. The farm is getting the propane tank for the green house, electrical is in, and our first greenhouse class will be held on March 15. It is taught by CasaCano farms and is part of a series that we have contracted them to complete. We have recently received 7-8 new Veteran applications. At the Vets on the Farm meetings the networking results and success stories have been phenomenal. Vicki was requested to submit a letter to Rep. Timm Ormsby, 3rd District, regarding the need for funding working lands in Washington which would include pilot funding for VOTF in Eastern Washington. The Spokane Conservation District was given UGM Vocational Advancement Business Partner Award. Branden Bohannon was our first UGM Veteran and he will be staying on with us as a Farm Intern.
Correspondence & Announcements
Carter is writing a letter of support for the Pierce CD RCPP application.

Dates:
- March 17 - Firewise Communities Workshop
- March 31 and April 1 - Tree Sale Pick Up Days and Surplus Sale
- April 18-19 – Water Catchment Certification Course

READING OF THE MOTIONS

*Motion James/Knopp to accept the agenda with noted change to the executive session. Motion carried.*

*Motion Shrauger/Knopp to approve the February 21 meeting minutes. Motion carried.*

*Motion Knopp/James to accept the February Treasurer’s Report with the noted reporting discrepancy and the March Accounts Payable as presented. Motion carried.*

*Motion James/Shrauger to approve our standard MOU for the Direct Seed program with Snohomish CD. Motion carried.*

Meeting adjourned at 7:47pm.
Respectfully submitted by: Erica Johnson

Jerry Scheele, Board Chair
Randy James, Vice Chair