SPOKANE CONSERVATION DISTRICT  
210 N. Havana, Spokane, WA 99202  
BOARD MEETING MINUTES  
Tuesday, October 11, 2016

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

Absent: Jaki Shrauger

Associate Supervisors: Dixie Riddle

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

Guests: Chad Greif, BIAS; Jill Clapperton, Rhizoterra; Mike Baden, Washington State Conservation Commission; April Edelen, guest of Walt Edelen.

Chair Scheele called the meeting to order at 5pm and led the pledge of allegiance.

Approval of Agenda  
Chair Scheele presented the agenda for approval.  
Motion Miller/James to accept the agenda. Motion carried.

Previous Meeting Minutes  
Minutes from the September 13, 2016 board meeting had previously been distributed for review.  
Motion Miller/James to approve the September 13, 2016 Meeting Minutes. Motion carried.

TREASURER’S REPORT  
Acting Auditor Randy James, presented the Treasurer’s Report for September, 2016.

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<th>ACCOUNT</th>
<th>BEGIN. BALANCE</th>
<th>DEPOSITS</th>
<th>WITHDRAWALS</th>
<th>END BALANCE</th>
<th>OUTSTANDING BALANCE</th>
<th>ADJ. BALANCE</th>
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<td>3,016,936.43</td>
<td>1,280.89</td>
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Prior to the meeting, James reviewed the financial information and noted that the NW Pipeline Account has now closed. He verified that all the cancelled checks had two signatures. He asked Chad Greif why the Columbia Bank account was appearing on the Treasurer’s Report this month. Greif found that a tree sale receipt was errantly coded to this account, making it appear on the report. That receipt will be recoded to the appropriate account. Treasurer’s Report: Receipts: 13355, 13364-13366, 13370-13379, 13382-13401, 13403-13591, 13601-13613; EFT Claims: 2270, 2299, 2301, 2318-2319, 2385-2398, 2487, 2583-2596, 2611, 2614-2617, 2619, 2626, 2701; Check Claims: 44415-44479, 44481-4482; Refunds: 2597, 2577, 2645; Voids: Receipts: 13566-13568, ch#44480 (used out of sequence in October); October Accounts Payable: $272,478.98. Vicki Carter noted that we have a Department of Ecology SRF payment due that is making this month’s payables higher.  
Motion Miller/Knopp to approve the September Treasurer’s Report and the October Accounts Payable as presented. Motion carried.

NEW BUSINESS / LINKAGE TO COMMUNITY  
Public Comments/Introductions
Chair Scheele introduced Dr. Jill Clapperton. Clapperton proceeded to give an update on her work with the Tracer which does elemental analysis – provided calibrations are developed. The Tracer can analyze 64 elements. She has found it to be extremely accurate, down to .01 ppm. Clapperton’s first customer was Rutgers University; the training on how to use the calibrations and equipment was excellent, but the calibrations were better suited to agricultural purposes and their soils were more toxic and required new calibrations to be developed. She has partnered with the SmartGroup of North Carolina to develop the environmental reclamation. Plant material is harder to work with than flour or soil or water. For example, a given leaf has a different top and bottom, different age and size than leaves of the same plant, and these variables will yield different results. Tissue analysis remains a goal, but difficult. Clapperton has heard a call for using the Tracer for detecting pesticides or phosphorus in water. Pharmaceutical content in water is another concern that the Tracer calibrations could potentially measure. An app is in the works for an agricultural decision making system to work with the Tracer. Dry grains and pulse crops have been very easy to analyze. The Tracer and the alpha toured Europe this year and wowed people there. Research on fruits and fatty acids will take place with contracts from growers from California. Clapperton explained the difference between total numbers and extractable numbers.

Dr. Clapperton also presented a request to the board. F&V Flemming, LLC has asked to sell their shares back to Rhizoterra in order to pursue other investments. They played a guarantor role in the loan. Clapperton suggests using the instruments themselves as collateral on the loan as their used sale value is higher than the remainder of the loan. Clapperton noted that Rhizoterra could pay off the loan from capital, but it would be a better business decision to keep the loan. Carter will visit the matter with our legal counsel, Brian Werst, and Ty Meyer and Clapperton. The goal is to have this settled by early January. Clapperton will bring a proposal for the board to vote on next month. Also, Clapperton will provide a copy of the equipment instruction manual for us to explore.

**Water Resources 2016 Review**
In 2016, Water Resources funding brought $2,056,050 to the district to implement in grants. In 2017 we will pursue new funding for Onsite Septic System (OSS) program and we will seek a Husseman Fund for $50,000 to fund erosion prevention in post-fire recovery. The OSS program will address problems at Honeymoon Bay on Newman Lake. Our first step is to seek letters of support from Honeymoon Bay landowners.

Water Resources partners list continues to grow with internships with Whitworth students, staff presence on the SCC WR Advisory Group, and partnering to use the SCC drone.

Summary of 2016 Implementation:
- OSS has completed 106 projects since July 2014. 7 side laterals, 7 repair/replacements, and 90 connections to the sewer. $54,649.99 in grants, $326,058.95 in loans.
- Fish Habitat: Willow Warrior Weekend 2,000 willows planted this year. 43,000 willow whips planted since 2009. Family Forest Fish Passage Program (FFPPP) has corrected 23 barriers since 2005 and opened 106.96 miles of fish stream habitat. Bear Creek Re-Alignment Project restored a section of the creek to its historic channel changing it from 1,100’ of straight stream, to 1,800 relic, meandering stream. This area is being monitored by the drone and used for educational purposes.
- NRCS Regional Conservation Partnership Program: The Greater Spokane River RCPP is being managed by Charlie Peterson and Seth Flanders will be the Riparian Coordinator. It will include 150,000 acres of conservation through 2021 including the innovative “commodity buffer”. It dovetails well with the PNDSA Farmed Smart Certifications.
- The Spokane County Voluntary Stewardship Program: facilitated by Andy Dunau. The VSP seeks
to protect and enhance critical areas and improve the long-term viability of agriculture in the state of Washington. The VSP Work Group will have their third meeting this month. They are currently working on creating maps that show the intersection of critical areas and agriculture.

- **Shoreline Protection:** proposed Snyder project and Newman Lake project will be completed in 2017.
- **Islands Trailhead Restoration and Access:** installed first slide rail on Spokane River for canoe and kayak take-out.
- **Stateline Project:** successful project turned site away from illicit use to family-friendly recreation site.
- **Upcoming Sullivan Road Bridge Mitigation:** restoration and access improvement. Aubrey White Access Project: new boat access, limited parking.
- **New online:** SCD Organic Materials Exchange List is available on Facebook as a group only for Spokane area residents. SCD Weed Alert webpage and newsletter updates provides quick and easy information to help landowners know when and how to manage weeds.
- **Ground Water Monitoring Network:** trend monitoring continues.

**SCC Update**

Mike Baden from WSCC thanked Edelen for the tour he gave the WSCC Regional Managers last month. Election season is kicking off and the WSCC approved changes to the process including changing the number of the forms from 5 to 2. New checklists, templates and examples were added to the manual. New rules and recommendations regarding mid-term elections were added. The budget has been submitted. WACD is working on outreach to gain testimonies from partnerships, landowners, and others to support the budget requests. Stevens County is hosting a legislative days on November 2. FLSA regs are available on the WSCC website regarding new rules defining and surrounding exempt positions. Good Governance process is under review. It will be distributed for District review. Work continues to address fire impact in 2016; cost share projects and associated technical assistance funding totaling 1.2 million dollars was approved. Baden will hold a web meeting on October 17 at 1pm to go over the guidelines and point out differences and similarities in these funding and previous sources; projects must be put on the ground before June 30 including design and cultural resources.

**Elections**

Erica Johnson announced that the Notice of Intent to Set an Election will be published in the paper on October 25 and November 1 advertising that the board will set the election date during the regularly scheduled November 8 board meeting.

**Finance**

Greif noted that he and Carter have been working on the 2017 budget. Also, the previously adopted budget amendments are now in effect as we look at the current budget. The loan to book gap has increased by $330,000 because we are now counting the OSS loans as a liability in the balance sheet. Greif reviewed the balance sheet and the fund summaries. We are at 65% of anticipated revenue collection for the year. General fund expenditures are at 89% of the budget, but Vets on the Farm is yet to be recoded to its own fund. Greif also gave more extensive background on how the treasurer’s report reflects the district assets and the relationship of the general fund to the other funds. Greif reminded the board of previous summer discussions regarding the SRF program and the current loan environment and interest revenue; as a result of these discussions, Meyer is making changes by applying for loan-loss reserve, grants, administration funding and more in order to run a more sustainable SRF program here at the district.

**GOVERNANCE CULTURE**
Directors Discussion
WSCC addendum needs motion from board that would approve adding the Fire Recovery funds in the amount of $17,800. 

*Motion James/Knopp to approve the addendum to add implementation 16-40-FR to WSCC Contract in the amount of $17,800. Motion carried.*

Summer Planning Session Meeting
Minutes were distributed and will be approved at the November meeting.

NE Area Meeting
Chair Scheele, Miller, Baden, Johnson, and Meyer will attend on October 25 in Republic, WA. Erica Johnson will be attending and presenting our SCD Report of Accomplishments.

Check Authorization Policy
Summary from last month: shifting check writing duties from Carter to Cori Turntine and looking at changing policies from having two signatures on each check to only one in certain situations. It is a recommendation from the state that we have two signatures, not a requirement. Carter is researching an appropriate threshold on a single signature, or types of transactions that could qualify for a single signature. Discussion was tabled for the November meeting to allow Jaki Shrauger to be involved in the discussion.

CRP Takeout
Meyer has prepared a resolution to take to the area meeting on October 25. It addresses the lack of transition opportunities for landowners with expiring CRP contracts. According to NRCS, land coming out of CRP does not present a current resource concern, and does not qualify for NRCS incentives for no till. As such, landowners often till or burn land as it comes out of CRP to reset it to a resource concern and qualify for incentives. Meyer wants the potential to till to be treated as a resource concern. Meyer and Edelen will both be attending NACD and if this resolution could get passed locally, they could help push it through at the national level. Miller gave advice on the wording of the resolution as distributed. It was also discussed that the Transition Incentives Program (TIP) could be changed to include more than just beginning farmers. Carter suggested reviewing this with our NRCS State Conservationist would be very helpful.

*Motion James/Miller to approve the resolution regarding CRP take-out including specific language to be determined by Meyer and Miller. Motion carried.*

Millwood Update
Carter detailed various concerns about the Millwood project, but future action is not needed because the City of Millwood will no longer be pursuing the project. They were thankful for our willingness to lend technical assistance, and we consider them a partner in conservation.

Budget
Carter passed out the latest draft of the 2017 budget. She highlighted some changes. We will be doing an incredible amount of grant based work in 2017. This will include hiring some additional staff. Revenue is projected at $2 million. Expenses were increased in the salary department, due to the anticipated increase in staff members and/or staff hours in the Water Resources department. We are replacing one HVAC compressor unit per year to disperse this expense and prevent all three failing at once. Carter noted that we are going to require new vehicles or additional vehicles and if we plan those purchases we can also meet our budget goals going forward. A second draft will be presented at the November meeting with the final in December for Board approval.
OPERATIONAL EXPECTATIONS

Correspondence & Announcements
Carter mentioned receiving a phone call regarding a group of landowners/custom operators who would like to have a meeting to review our Small Acreage Program. This will be held in late November. After field work is completed. Carter invited the Board to attend.

Meyer is putting in a DOE grant and loan proposal with the Direct Seed Association and he would like the board to consider a half percent interest rate incentive for loan requests from people that are Farmed Smart Certified or applying for (in good faith) Farmed Smart Certification.

Motion James/Miller to approve a half percent interest rate incentive for loan requests from people that are Farmed Smart Certified or applying for (in good faith) Farmed Smart Certification. Motion carried.

Dates:
• NE Regional Meeting in Ferry County – October 25
• WACD Meeting, Blaine, WA – November 28-November 30
• November 5 – Farm & Food Expo with Joel Salatin
• VIVA Farms Visit – Burlington, WA, Carter & Knopp October 18
• NACD in Denver – Meyer & Edelen to attend Jan. 28-31

READING OF THE MOTIONS
Motion Miller/James to accept the agenda. Motion carried.

Motion Miller/James to approve the September 13, 2016 Meeting Minutes. Motion carried.

Motion Miller/Knopp to approve the September Treasurer’s Report and the October Accounts Payable as presented. Motion carried.

Motion James/Knopp to approve the addendum to add implementation 16-40-FR to WSCC Contract in the amount of $17,800. Motion carried.

Motion James/Miller to approve the resolution regarding CRP take-out including specifics to be determined by Meyer and Miller. Motion carried.

Motion James/Miller to approve a half percent interest rate incentive for loan requests from people that are Farmed Smart Certified or applying for (in good faith) Farmed Smart Certification. Motion carried.

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

_________________________  ______________________________
Jerry Scheele, Board Chair          Randy James, Vice Chair

The Spokane Conservation District’s Board meeting minutes are intended to be a reasonable summary of the Board’s deliberations and action. The minutes are not a verbatim record of everything said at the meeting. The minutes include all actions taken by the Board.