

SPOKANE CONSERVATION DISTRICT
 210 N. Havana, Spokane, WA 99202
BOARD MEETING MINUTES
 Tuesday, June 20, 2017

Attendees

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

Absent:

Associate Supervisors:

SCD Staff: Vicki Carter, Cori Turntine, Erica Johnson, Ty Meyer, Lindsay Chutas

Guests: Chad Greif, BIAS; Boston Elnore, Citizen; Jeff Adams representing Rhizoterra.

Chair Scheele called the meeting to order at 5:00pm and added that Jeff Adams, legal counsel for Rhizoterra, will be present for New Business.

Motion James/Shrauger to accept the agenda with the addition. Motion carried.

Previous Meeting Minutes

Minutes from the May 9 meeting were previously distributed for review.

Motion Shrauger/James to approve the May 9 Meeting Minutes. Motion carried.

TREASURER'S REPORT

ACCOUNT	BEG. BALANCE	DEPOSITS	WITHDRAWALS	END BALANCE	OUTSTANDING BALANCE	ADJ. BALANCE
PayPal Merchant Acct	673.21	1,466.29	2,091.19	48.31	0	48.31
PayPal Transfer Acct	350.00	1,945.24	1,945.24	350.00	0	350.00
Checking Inland NW Bank	- 72,517.47	1,988,775.12	1,805,931.22	110,326.43	282,318.44	392,644.87
MMA Inland NW Bank	284,134.51	36.20	0	284,170.71	0	284,170.71
LGIP	3,027,548.8	1,703.92	1,300,000.00	1,729,252.80	0	1,729,252.80

Auditor Jaki Shrauger presented the May Treasurer's Report and summarized her verification of account balances and cancelled checks. She read the account balances and treasurer's report figures aloud. **Treasurer's Report:** Receipts:14691-14701, 14706-14711, 14713, 14716, 14721-14848, 14850, 14856-14876; EFTS: 1460, 1298, 1402-1419, 1423, 1489-1490, 1534-1551, 1626, 1628; Claims:45102-45210; Voids: Claim 45125, EFTs 1452 and1455, - all entered with incorrect amounts; No Refunds. **Accounts Payable:** \$214,344.72 . Randy James requested clarification on the names of a few new vendors.

Motion James/Knopp to accept the May Treasurer's Report and the June Accounts Payable as presented. Motion carried.

NEW BUSINESS / LINKAGE TO COMMUNITY

Public Comments/Introductions

No new guests.

WSCC Update

Mike Baden was not present but sent his Quick Notes report which was distributed to the Board.

Department Review

Lindsay Chutas reported that a VSP meeting will be held on June 22 to discuss the benchmarks and measurable objectives. A joint meeting will be held with other local VSP groups and Washington State Fish and Wildlife to discuss aerial footage for monitoring VSP benchmarks. RCPP contracts are getting signed and many Commodity Buffer applications are rolling in and as many as possible will be completed before the fiscal year end. Shrauger

asked about the red dye project in Hangman Creek; Chutas reported the red dye will help measure how fast water is moving through the creek. Due to pressure from agencies like The Riverkeeper, Department of Ecology (DOE) is completing studies like this even though recent studies are still considered relevant.

SRF Program Update

Ty Meyer spoke about two loans that have started foreclosure processes. There is no further board action needed in the situation, but Meyer will keep the board updated.

Chair Scheele introduced Jeff Adams on behalf of Dr. Jill Clapperton of Rhizoterra and the proposed loan amendment. Her proposal maintains the collateral on the equipment and calibrations, and offers full training or payment for training in the event that the loan and equipment are repossessed. Adams distributed a letter from Clapperton, the formal proposal, copies of the original loan agreement, the promissory note, and the collateral and securities documents. The purpose of the proposal is to separate Fred Flemming from the loan due to the fact that he is leaving Rhizoterra as a co-owner. Adams reported that the equipment fair market value is more than \$50,000 and the training would be worth another \$10,000. The board would like to see an independent evaluation completed. James noted that in the original loan, promises for training were already made as a friendly agreement. Meyer mentioned that the loan is performing at and above expectations. Wendy Knopp suggested that Clapperton use additional collateral to substitute in and move forward. Carter recalled that originally we were supposed to see the calibrations as a marketable product within 6 months of completing the loan, but that was extended due to licensing requirements. Tom Miller summarized his personal opinion that we respect Dr. Clapperton and are excited about the technology, but as fiduciaries of public funds, we cannot release the collateral as proposed. Adams also summarized that his will consult with Dr. Clapperton regarding third party appraisal of the equipment and possible substitution of collateral.

GOVERNANCE CULTURE

Financial update

Chad Greif read through the balance sheet. The property purchase is now visible on our financial documents. We now include OSS operating receivables and OSS loan amount due to DOE in our balance sheet. Our operating results are great this month because 40% of the assessment has been collected. Other bright spots in the general fund include reimbursements for services and conservation services. Salaries and wages are at 50% of budget, which is a little high for January -May due to additional staff; this will be addressed with a budget amendment. Invoices for spring work in the Small Acreage Custom Operation Program are being sent and payments are starting to come in.

Annual Board Planning Session Schedule

Carter proposed August 8, 8:30am-11am board planning and training, 12-2pm board meeting, and then 2:30pm-4:30pm board and staff property discussion. Knopp would not be able to attend that date. August 7 was selected as the date that will work for everyone, but this does require us to advertise the change of board meeting date to the public.

Board/CEO Relationship

Property Discussion

Carter spoke briefly about vandalism, and about improving the security cameras, the sprinkler system and the automatic keypad for the gate. The staff did a walk through to identify the good, the bad and the ugly on the property. Carter met with Shamrock Paving Co.; they are interested to help move and dispose of material in exchange for a great deal on the mobile lab trailer, sample racks, and a few other items. Carter has received word from a party that is interested in purchasing the building and a small land footprint. Barry and Rich power washed the building and fixed the fountain. The Sheriff's Office does dog training at the property and they vary the day so that it's not predictable. The realtor for Central PreMix has a couple Eagle Scouts interested in doing a project out

on the property; ideas include pollinator hotel and landscape, composting demonstration area, and seedling nursery.

OPERATIONAL EXPECTATIONS

Correspondence and Announcements

Carter was asked by the staff to look into different retirement options and we recently heard a presentation from Forster Financial; it would still be a 403b, but it would be in mutual funds and we would have a 3rd party administrator. We will have Voya come back and give a similar presentation. Then the staff may come to the board to request changes.

Vets on the Farm

Vets on the Farm hosted Northwest Farm Credit Services (NWFC) for a cleanup day on Friday with almost 30 employees. In addition, 40 employees requested that their annual \$300 NWFC donation be given to Vets on the Farm. Knopp noted that these employees are really proud to be helping with our organization because so many of them grew up on farms. Mama Torrez Salsa has purchased lettuce, cilantro and onions. Radishes have been sold to Zona Blanca, owned by Chef Chad White, a Navy Veteran. Carter said that Angela Mueller is doing a fantastic job, along with Grant Weber, Jacob Mayfield, and additional SCD staff.

Retirement

Carter distributed a wonderful article about Randy James' retirement from North Central High School. Carter noted that James was officially re-elected, Miller was officially re-appointed, and Barry Tee received a nomination for Employee of the Year at WADE.

Carter will be on the radio with Teresa Lukens this Sunday at 7am and 11am on 590 KQNT.

READING OF THE MOTIONS

Motion James/Shrauger to accept the agenda with the addition. Motion carried.

Motion Shrauger/James to approve the May 9 Meeting Minutes. Motion carried.

Motion James/Knopp to accept the May Treasurer's Report and the June Accounts Payable as presented. Motion carried.

Meeting adjourned at 6:20 pm.

Respectfully submitted by: Erica Johnson

Jerry Scheele, Board Chair

Thomas Miller, Vice Chair