

SPOKANE CONSERVATION DISTRICT
 210 N. Havana, Spokane, WA 99202
BOARD MEETING MINUTES
 Tuesday, October 10, 2017

Attendees

Supervisors: Randy James, Jaki Shrauger (arrived after treasurer report), Wendy Knopp, Tom Miller

Absent: Jerry Scheele

Associate Supervisors:

SCD Staff: Vicki Carter, Cori Turntine, Erica Johnson, Garth Davis, Ty Meyer, Walt Edelen

Guests: Chad Greif, BIAS; Gage Stromberg, TPA

Acting Chair Tom Miller called the meeting to order at 5:07pm, led the pledge of allegiance, and presented the agenda.

Motion James/Knopp to accept the agenda. Motion carried.

Previous Meeting Minutes

Minutes from the September 12 meeting were previously distributed for review.

Motion James/Knopp to approve the September 12 meeting minutes. Motion carried.

TREASURER'S REPORT

ACCOUNT	BEG. BALANCE	DEPOSITS	WITHDRAWALS	END BALANCE	OUTSTANDING BALANCE	ADJ. BALANCE
PayPal Merchant Acct	2,156.68	13,988.64	14,128.35	2,016.97	0	2,016.97
PayPal Transfer Acct	350.00	13,850.58	13,850.58	350.00	0	350.00
Checking Inland NW Bank	408,305.20	156,794.43	555,186.84	9,912.79	67,123.37	77,036.16
MMA Inland NW Bank	34,212.96	2.81	0	34,215.77	0	34,215.77
LGIP	1,233,061.22	1,143.82	0	1,234,205.04	0	1,234,205.04

Acting Auditor James presented the September Treasurer's Report and summarized his verification of account balances and cancelled checks. He also verified the past 4 months of cancelled checks and other statements that hadn't been verified due to availability prior to meetings, and all was in good order except four checks had been processed missing one signature; these checks were Claims numbers 45205, 45309, 45310, and 45305. He read the account balances and treasurer's report figures aloud. **Treasurer's Report: RECEIPTS: 15256-15258, 15260-15261, 15265-15268, 15273-15436 EFT: 2816, 2570, 2573, 2575, 2598-2613, 2653, 2675-2676, 2685, 2717-2734, 2848, 2858, 2862, 2863 CLAIMS: 45552-45634; VOIDS: 45633, 45654, 45590 - printer error, 45566 & 45583 - wrong amounts, 45621 - vendor already reimbursed by Sheriff, and voided receipt 15310: duplicate.**
Accounts Payable: \$ 263,307.06 . James questioned and Vicki Carter clarified the purpose of a few vendors on the accounts payable list.

Motion Knopp/James to accept the September Treasurer's Report, October Accounts Payable, and the four checks that processed with one signature. Motion carried.

NEW BUSINESS / LINKAGE TO COMMUNITY

Retirement Update

Gage Stromberg introduced himself as a third party administrator (TPA) with Powers Stromberg Pension Consulting. He described his role in 401k and 403b investing. He has about a dozen plans with Robert Forster at Forster Financial and appreciates the way Forster always seeks to service each individual employee, not just the CEO or Director. Stromberg noted some recent changes to 403b accounts and FICA replacement plans. Carter described that Stromberg has been really helpful to help us get what we need from VOYA, as our rep there had left his position. Employees should have a smooth transition. The TPA fees include a \$1,295 initial take-over fee, and \$1,200 +\$40 per head annually. This transition is called a plan-to-plan transfer and employees will not have pay capital gains tax or other penalties. There are surrender charges that will be transitioned over, but Forster will keep an eye on their sunset dates and work with individuals to let them know what potential charges are, and when they can reinvest without surrender charges. Carter thanked Ty Meyer, Garth Davis and Walt Edelen as the staff members that started the conversation about moving to a different, higher earning investment.

Motion James/Knopp to hire Powers Stromberg Pension Consulting to be our TPA and Forster Financial to manage our 403b plan. Motion carried.

Water Resources Report

Carter introduced Water Resources Manager, Walt Edelen, for his annual department report. Edelen described 2017 as a roller coaster of a year for his department and gave his staff credit for accomplishing so much.

- 2017 Funding: \$2.6 million flows through the district to get projects done in this department alone.
- Water Resources has many thriving partnerships and a notable new partnership with Eastern Washington University.
 - EWU owns 120 acres on the west side of campus and it's in farm ground, but they want to do a prairie restoration project with our technical assistance and our drone technology.
- On Site Septic Program (OSS) has completed 133 projects since July 2014!
 - Uses DOE funds, SCD internal loans, and Community Development Block Grant funds
 - \$433,000 were in loans, and many received a small grant award as well that totaled \$54,600
 - CDBG funding intended to fill 50 applications, but only 12 were completed due to liens on homes and other ineligibility issues
 - 25 projects were repairs & replacements
 - 108 connections to the sewer
 - 600 yet to be done in county
- Fire Recovery at Yale Rd
 - Project 1: 43 acres mulch bullet seeding
 - Project 2: 200 acres mulch bullet seeding
 - Project 3: 7 miles of perimeter fencing
 - Project 4: 2000' of perimeter fencing
 - Results from mulch bullet seeding were excellent.

- Voluntary Stewardship Program (VSP) – maintain and improve the long-term viability of agriculture while protecting critical areas.
 - Workgroup facilitated by Dunau Associates
 - Spokane Plan is due in early 2019
 - Must develop a plan that includes how to monitor progress
- 2018 upcoming projects
 - Hangman Creek River Mile 17 stabilization project
 - Sullivan road bridge mitigation project and wetland monitoring
 - Sanson Rd Landslide
 - Continuing Livestock Improvement Projects, Riparian Plantings, VSP, Regional Conservation Partnership Program (RCPP), OSS, Family Forest Fish Passage Program (FFFPP), ground water monitoring network
- Awesome video recapping the 2017 work was produced by Seth Flanders with help from intern Vince Peak. Flanders took drone footage of all projects, as well as time-lapse photography, to help capture the progress.
 - Miller noted that this type of video is exactly what our legislators need to see as we work toward long-term funding for conservation districts. WACD is hiring a new lobbyist and the new executive director starts Nov. 1 – a great time to take new directions like this.

Elections: Intent to Set Date

Johnson distributed the election process dates that we would follow for an election on March 13 for Wendy Knopp’s position and noted we would need to set an election date at our next meeting and then advertise accordingly.

Governance Culture

Financial Report

Chad Greif noted that there are changes in the balance sheet because we have a land and structures value in addition to our equipment value. Because of this new way of displaying our assets at their market value in the balance sheet, the book to assets gap closed substantially. At the end of October assessment funding will start coming in. In the general fund budget we have collected 61.5% of revenues, however, our second half assessment revenues have not been collected. Expenditures are at 90% of budget. Greif gave a review of the other fund totals as well.

Meyer described the bad loan situation in which the equipment had to be repossessed. The accrued interest has stacked up against the customer as we tried to work with them prior to taking legal action. We are pursuing a legal judgment to see how much more will be paid to cover the debt not paid by the repossessed collateral (a gap of approximately \$100,000). Knopp and Miller cautioned Meyer from keeping any of the equipment repossessed for district use because it may not be deemed a “commercially appropriate” fashion and become a legal liability. There is a second case that Meyer is also working on, but the customer has been non-responsive. The collateral in the second case is more valuable and it should be a more simple process once it gets started. We are willing to work with operators, but when they are non-responsive we take legal channels more quickly.

Directors Discussion

Our communications intern was involved in a car accident in a district vehicle. Medical attention was administered and LNI has been informed as well as Enduris.

Vandalism at the new property continues. A door and windows were broke out. Carter and Tee will be meeting with Enduris to do a risk evaluation and come up with some security measures to thwart ongoing vandalism. AHBL was awarded the contract for our long term planning for the property. They have actually worked on this property before, and have historical information we can reference. Carter has asked that they create a 10 year plan laid out in two year increments. On November 21 from 9am-2pm a design and planning charrette will be held; the board is invited to join. AHBL will be responsible for handling the architectural contracting as well. Old Castle Construction is past their deadline to move asphalt off the property, so they have agreed to pay us rent. Carter has selected Kiemle and Hagood to be the property manager to lease the existing building. Barry Tee will be installing security cameras, sirens, and lighting.

We are also reviewing security measures here at our office for the front door. Carter and her legal counsel will be attending a court proceeding on November 2 a weapons surrender order that has expired.

Garth Davis and Carter are looking at a property that Spokane Futures may purchase and look to partner with us. The property is currently forested and includes a tree nursery. Carter is interested in the partnership, but suggested we may be interested in buying the property for fuels reduction and Veterans projects. Knopp suggested that we make it part of our strategic plan in order to communicate the purpose clearly to the public. Carter shared some thoughts for our future funding and how acquiring land and leasing it for farm purposes could become part of our plan.

Carter invited the board to think about what role they would be willing to serve: Chair, Vice Chair, and Auditor. Officer roles need to be voted on when a full board is present.

Erica Johnson gave an update on the Farm & Food Expo; local producers and hobbyists are excited as well as registrants from Alaska and Iowa. Tom Miller will be presenting on Water Law as well as jumping in with Josh Giuntoli to cover for Ron Shultz on farm succession.

Carter spoke about great things happening at the learning Farm including a remodel by Home Depot, work by **Burger** on the gates, and all of the Vets on the Farm staff are doing great.

2018 Draft Budget

Carter distributed a very rough and preliminary budget for the board. They will see an updated copy each month until it is submitted for approval in December.

NE Area Resolutions

Carter described some concerns with the RCPP program and we would like these to be reflected

at the NE Area Meeting in the form of resolutions. Apparently, in Idaho the approval process for RCPP is very streamlined. Their NRCS office has different job approval authority and they were able to get 14 projects approved before our WA state contracts could get traction at all. Carter would like to see WSCC task order this so that we can do more in-house. Edelen thought that as we watched and learned from the Palouse RCPP we would avoid common pitfalls, but we still couldn't do much better. Meyer clarified that Palouse RCPP took two years to go from contracts to payments, and our RCPP was able to pay on contracts within one year.

Another topic Carter wants to address is the WACD Annual Meeting; she thinks it should be a bi-annual meeting to save money and time.

Motion James/Knopp for Carter to craft NE Area Resolutions proposing changes to RCPP and the WACD Annual Meeting. Motion Carried.

Direct Seed

Meyer has been approached by an operator that wants a very specific and non-typical re-finance that would require board approval. He has a great history with us, but is in a current cash-flow issue. Meyer will bring a more formal proposal in November. Knopp suggested that Meyer bring his opinions on the market value of the equipment as well as what the customer is presenting as the value. The producer uses all direct seed and no-till methods.

Cost Share Policy

As mentioned at the last meeting, we are working on a new cost share policy. Edelen, Turntine and Carter will have a formal policy for your approval next month.

OPERATIONAL EXPECTATIONS

Correspondence and Announcements

- NE Area Meeting – Lincoln CD Hosts – October 19
- Food & Farm Expo – SCC – November 3 & 4
- Lions Club Auction, we will be the paddle of love recipient – Nov 11
- Spokane River Forum Conference – Nov 16-17
- Women in Ag – Nov 18
- WACD Meeting in Kennewick – November
- NACD in Nashville – end of January
- Ag Expo – February 6-8

READING OF THE MOTIONS

Motion James/Knopp to accept the agenda. Motion carried.

Motion James/Knopp to approve the September 12 meeting minutes. Motion carried.

Motion Knopp/James to accept the September Treasurer's Report, October Accounts Payable, and the four checks that were processed with one signature. Motion carried.

Motion James/Knopp to hire Powers Stromberg Pension Consulting to be our TPA and Forster Financial to manage our 403b plan. Motion carried.

Motion James/Knopp for Carter to craft NE Area Resolutions proposing changes to RCPP and the WACD Annual Meeting. Motion Carried.

Meeting adjourned at 8pm.

Respectfully submitted by: Erica Johnson

Randy James, Acting Chair

Tom Miller, Vice Chair