

**SPOKANE CONSERVATION DISTRICT**  
 210 N. Havana, Spokane, WA 99202  
**BOARD MEETING MINUTES**  
 Tuesday, December 12, 2017

**Attendees**

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

**Absent:**

**Associate Supervisors:**

**SCD Staff:** Vicki Carter, Erica Johnson, Cori Turntine, Ty Meyer, Eric Choker, Charlie Peterson, Jake Clements, Garth Davis

**Guests:** Rich Edlund, NRCS; Mike Baden, WSCC;

Chair Scheele called the meeting to order at 5:03pm and presented the agenda with three items to add: an award, an NRCS report, and a WSCC report, and he announced the executive session in accordance with RCW 42.30.110.

**Motion James/Shrauger to approve the agenda with the amendments. Motion carried.**

**Previous Meeting Minutes**

Minutes from the November 14 meeting were previously distributed for review.

**Motion James/Shrauger to approve the November 14 meeting minutes as presented. Motion carried.**

**TREASURER'S REPORT**

ACCOUNT	BEG. BALANCE	DEPOSITS	WITHDRAWALS	END BALANCE	OUTSTANDING BALANCE	ADJ. BALANCE
PayPal Merchant Acct	2,504.63	2,638.03	3,960.03	1,182.63	174.78	1,007.85
PayPal Transfer Acct	350.00	3,857.04	3,857.04	350.00	0	350.00
Checking Inland NW Bank	120,872.42	635,585.72	549,593.28	206,864.86	277,056.88	483,921.74
MMA Inland NW Bank	34,218.68	2.81	0	34,221.49	0	34,221.49
LGIP	735,272.78	698.69	0	735,971.47	0	735,971.47

Auditor Jaki Shrauger read through the Treasurer's Report. Randy James questioned a payable to DIVCO and Cori Turntine noted that it was for the new property on 8<sup>th</sup>.

**Treasurer's Report: EFTS: 3405, 3311-3326, 3328, 3329, 3448-3465, 3470, 3544, 3546-3548;**

**CLAIMS: 45740-45848, 45850-45852; RECEIPTS: 15596, 15616-15618, 15625-15747, 15762-15766;**

**REFUNDS: 15683, 45837, 45778; VOIDS: 45833, 45849, 45756, 45772-45780, 45898.**

**Accounts Payable: \$235,347.43**

**Motion James/Knopp to accept the November Treasurer's Report and December Accounts Payable.**

**Motion carried.**

**NEW BUSINESS / LINKAGE TO COMMUNITY**

Tom Miller presented Jaki Shrauger with a 10 certificate of appreciation from WACD for her service on the SCD board.

**NRCS Report**

Rich Edlund from Natural Resource Conservation Service (NRCS) reviewed his report in the board

packet. There is a funding source for an Eastern Washington Conservation District Employee to help with EQIP. The application for this staff person will be submitted by WSCC. He pointed out the addendum for equipment sharing can be amended to host an NRCS computer (with NRCS software) within a conservation district.

Charlie Peterson presented RCPP cost-share funding applications from Washington State Conservation Commission that requires board approval.

**Motion James/Knopp to approve cost-share funding for project numbers 7927, 7942, 7946, 7947, 7951, 7962. Motion Carried.**

### **WSCC Report**

Mike Baden reviewed the delays in legislature, and distributed WSCC documents to describe what we are asking for in the capital budget. Nine RCPP projects have requested funding from WSCC, but the house-proposed capital budget doesn't cover the existing three RCPP projects. Baden emphasized that we need more producers to contact their legislators and let them know how the RCPP funding affects their operation. Miller mentioned that the budget is likely to pass in the house. WSCC is also asking for about \$1 million in Firewise funding, but they haven't had a lot of legislative interest in that request. Baden stressed the importance of putting projects into CPDS so that as soon as funding is available the projects can be prioritized. Ron Shultz will be working part-time starting in January. WSCC has received correspondence from various groups about the activity in opening the state water quality regulations to promote voluntary conservation stewardship; this action would provide a statutory tie to funding for districts. Baden is conducting a survey about districts' building use.

### **County Parks and Recreation**

The Spokane Conservation Futures program is considering purchasing a piece of property and asked us if we would manage it for them. Purchasing this property would give them better access to their existing 70 acres adjacent, but they don't want to manage the entire piece. We could purchase it and re-sell or lease the section they need.

Carter summarized that the main positive aspects of the purchase would be:

1. Conservation: the land could be developed if not purchased by the county or someone like us
2. Revenue generation: many potential uses be best and time to decide what would
3. Veteran training opportunities

Carter said we could have Mr. Groesbeck, the current owner, and the county, to a future meeting to answer more questions. Davis said the board should also see the property in person. James would like to see us lease acreage to the county for their access road rather than sell it. Carter invited the board to join Davis and herself to prepare a more detailed proposal for the next meeting. Or, alternatively, we should bow out now so that the landowner can move forward.

Scheele pointed out that we've only begun to develop the 8<sup>th</sup> Ave property, it is keeping our staff very busy, and that a new property would take a number of years to start generating revenue. Overall the board agreed to pass on this opportunity and focus on the 8<sup>th</sup> Ave property.

## **Governance Culture**

### **2018 Election Date Update**

The January board meeting will be advertised online and in the Spokesman with “intent to adopt election resolution.”

### **Proposed 2018 Meeting Schedule**

Carter presented the proposed meeting schedule for 2018 and pointed out that there are not any conflicts so the meetings will fall on the 2<sup>nd</sup> Tuesday of the month.

### **Motion Knopp/Miller to accept the 2018 proposed meeting schedule.**

### **WACD Meeting Recap**

Carter announced that she is proud of Miller’s role as the president of WACD and is excited about the new leadership team. The conference was the best conference that Carter has attended and said the venue was fabulous and that attendees appeared to be reinvigorated. Some things to be thinking about for next year’s conference is speakers that you’d like to see and other training needs. Carter helped organize an ethics training that was well received and suggested that it be repeated at next year’s WADE conference. Carter would like to outsource the updating of our HR policies to ensure we’re up-to-date with all of the upcoming leave policies. Miller recognized that Larry Davis put an intense amount of time and energy into the planning of this year’s conference.

### **SAO Report/Purchasing Policy Update**

Turntine reported that the 2016 financial statement and accountability audit have wrapped up. The financial statement audit concluded without exception. However, a management letter recommendation will be issued for the procurement procedures on a four transactions. The exceptions found are mostly due to documentation issues but staff training is being conducted to ensure everyone is refreshed and familiar with the policies and expectations. Additionally, some procedures are being changed to ensure a stronger internal control structure.

### **Cost-Share Policy**

Carter asked the board to vote on the cost-share policy that was distributed in their board packets. The policy will help ensure landowner incentive and participation.

### **Motion James/Knopp to approve the Cost-Share policy as presented. Motion carried.**

### **Financial Oversight/Review**

Carter presented the 2017 budget position as of today, which includes the December County Assessment revenue. Carter pointed out that the \$285,000 WSCC-RCPP Grant Reimbursement line was moved in our mid-year budget amendment and the number didn’t get removed in this line, so we are only reporting at 80% of our budgeted revenues. On the expense side we hired additional staff this year that were not budgeted for at the beginning of the year, including an intern in the soils lab, staffing to help with Erica’s maternity leave, and additional staff at the farm. In general we are at 85% of our budgeted expenses which represents a \$204,000 deficit. We are still waiting for the RCPP reimbursement from NRCS, and RCPP and VSP reimbursement

from WSCC.

### **2018 Budget Approval**

Carter presented the updated budget proposal and directed the board to refer to the notes under the remarks column which address any significant change from the previous version. The total revenue budget is 88% of the 2017 budget. The 2018 revenue budget is more conservative than 2017, especially with the state capital budget being unknown at this point. General Fund budgeted expenses are fairly conservative also and only include slight increases.

Fund 402 Budget - We're going into our third year for the Small Acreage program and anticipate this being our turning point year, where we'll start seeing a recovery of our initial investment. Scheele asked if we were able to use the big drill on any of the small acreage. Meyer informed the board that we seeded about 50 acres using the big drill and will see the results this spring. We did this to test it against the small drill and compare the results.

Fund 401 Budget – We included a loan loss reserve component with the anticipation of receiving a new DOE SRF loan. Sale of surplus budget line includes the sale of equipment from the defaulted loans and also an increase to our legal fees as we anticipate we may see some additional defaulted loans. We included a figure for a new vehicle purchase in the event we decide to purchase a new vehicle to be shared between SRF and SAP.

Vicki will continue to work on the budget for the 8<sup>th</sup> property fund.

**Motion Knopp/Shrauger to approve the 2018 budget for the general fund, small acreage fund and the SRF fund. Motion carried.**

### **OPERATIONAL EXPECTATIONS**

#### **Correspondence and Announcements**

- PNDSA Conference in Kennewick – January 9-10, 2018
- NACD in Nashville – January 27-31, 2018
- Ag Expo in Spokane - February 6-8, 2018

Carter is gathering proposals on healthcare programs as the cost of PEBB continues to increase more and more every year.

Staff evaluations are being conducted this month. Carter is working on establishing a job classification and banding program to establish some consistency among staff and create some predictability for budgeting. This would be split between two categories: administration and conservation staff, and each category will have five levels, with the fifth level being the director level.

We met with the manager's today and started summarizing all of our programming needs and indoor/outdoor space needs for the 8<sup>th</sup> property. Carter is working with Tim Bruya to determine the appropriate lending scenario for the office building development.

Scheele recessed the meeting for executive session at 7:36pm for 10 minutes. At 7:45 pm, Scheele reconvened the regular meeting for the reading of the motions.

**READING OF THE MOTIONS**

**Motion James/Shrauger to approve the agenda with the amendments. Motion carried.**

**Motion James/Shrauger to approve the November 14 meeting minutes as presented. Motion carried.**

**Motion James/Knopp to accept the November Treasurer's Report and December Accounts Payables. Motion carried.**

**Motion James/Knopp to approve cost-share funding for project numbers 7927, 7942, 7946, 7947, 7951, 7962. Motion Carried.**

**Motion Knopp/miller to accept the 2018 proposed meeting schedule. Motion carried.**

**Motion James/Knopp to approve the Cost-Share policy as presented. Motion carried.**

**Motion Knopp/Shrauger to approve the 2018 budget for the general fund, small acreage fund and the SRF fund. Motion carried.**

Meeting adjourned at 8:04pm.  
Respectfully submitted by: Cori Turntine

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**Jerry Scheele, Chair**

**Tom Miller, Vice Chair**