SPOKANE CONSERVATION DISTRICT
210 N. Havana, Spokane, WA 99202
BOARD MEETING MINUTES
Tuesday, March 13, 2018

Attendees
Supervisors: Jerry Scheele, Randy James, Wendy Knopp,
Absent: Tom Miller, Jaki Shrauger
Associate Supervisors: Chris Eckhart
SCD Staff: Vicki Carter, Erica Johnson, Garth Davis, Josie Bjordahl, Seth Flanders, Eric Choker, Ty Meyer
Guests: Steve Sprecher, NRCS; Mike Baden, WSCC;

Agenda
Chair Scheele called the meeting to order at 5pm, led the pledge of allegiance, and presented the agenda.
Motion James/Knopp to approve the agenda. Motion carried.

Previous Meeting Minutes
Minutes from the February 13 meeting were previously distributed for review.
Motion James/Knopp to approve the February 13 meeting minutes as presented. Motion carried.

TREASURER’S REPORT

Acting Audior Randy James read through the Treasurer’s Report. Prior to the meeting he verified all the adjusted balances and all accounts matched. He verified the cancelled checks as well. James asked a few questions about new or less common vendors.


Motion James/Knopp to accept the February Treasurer’s Report and March Accounts Payable. Motion carried.

NEW BUSINESS / LINKAGE TO COMMUNITY
Mike Baden gave a report from the Washington State Conservation Commission (WSCC). The supplemental budget was passed and legislative session is complete with an additional $2 million for RCPP bringing us to a total of $4 million which will be dispersed to districts with RCPP projects. No fire related funding was approved for the commission. The Annual Plan of Work is due at end of May. Funding awards for capital projects in CPDS are being awarded, including a couple to SCD. The next round of funding will start soon; districts should confirm their priorities. Operating funds
expire at the end of the fiscal year (June 30). Open government training for SCD will be due August 11, 2019; WSCC is tracking this date to help districts know when to complete it again. WSCC is hiring for a Puget Sound Area Representative.

Baden distributed a 2018 Conservation Accountability and Performance Program (CAPP) document with legal responsibilities that districts will be evaluated on a pass/fail basis. It does not replace the Auditor’s Schedule 22. Baden noted that sections 2-8 are for capacity building goals and are not pass/fail. Vicki Carter noted that the annual plan format could be changed to follow these guidelines.

A Fire and Forest Health Strategic Policy meeting will be held April 18 including Firewise, forest health, and policy initiates. On April 25-26, a Policy Meeting in Ellensburg to kick off budget process for the next biennium. Attendees should bring their ideas. Priorities of policy initiatives will be reviewed.

Steve Sprecher from Natural Resource Conservation Service (NRCS) announced that the Local Work Group will meet at the Spokane Valley office on April 5. In Spokane, Tree Planting and Reforestation is not currently being paid for through EQIP which disables NRCS ability to help with reforestation and watershed protection. There are requests for cover crop incentives, but there isn’t a method through the Local Work Group to get that into EQIP. It’s hard to add incentives for early adopters. They have shifted from soil erosion, to organic matter, and see the need to shift again to keep planning criteria relevant to more progressive farmers. Sprecher emphasized that this is a one-day, one-time chance that effects how things will be for an entire year. Especially where there are no longer incentives to improve on a good system that are meeting minimum scoring/rating(s). Carlee Elke will be the new RCPP Coordinator for the Spokane area.

**Governance Culture**

**2018 Election Cancellation**

Erica Johnson announced that today would have been our election, but it was cancelled due to automatic re-election of the incumbent, Wendy Knopp. She will serve another three year term.

**Board/CEO Relationship**

**Financial Review**

Carter reviewed the grant vouchers to come in on the April Outstanding Receivable report. She noted several payment that have come in since the report was printed. Other outstanding receivables are in OSS and SRF loan programs. Ty Meyer added that there will be a sheriff’s sale on the outstanding SRF loan that has not responded to collections. The other outstanding SRF loan did respond and we have possession of the equipment though they still own it; we will get a value on the property and discuss a settlement through our respective attorneys. The third SRF loan was on a payment plan, and is struggling still, but we are working with them.

Carter noted that the budget position is always a little lagging in the first quarter of the year and pointed out a few highlights. We have reached 12.6% of budgeted revenues at 16.6% of year completed. Assessment funds will be coming in May and change this dramatically. Expenses seem
high due to contracts that require payment at the start of the calendar year, attorney fees, new laptops, computer upgrades, NACD travel, and RCPP no-till incentive payments (to be reimbursed). We purchased a new/used Ford Ranger (2000) for the Forestry department. We have spent 22% of expenses budgeted.

We will invoice $5-5,500 per month to PNDSA in our new contract with them. We have grant money from DOE to be received which was not included in our 2018 budget.

**Operational Expectations**

**PNDSA Update**

Ty Meyer is getting to know his new responsibilities with PNDSA and trying to keep everything moving forward with Farmed Smart and new partners. The membership drive is taking place a little late this year, but things are going well. SCD and PNDSA are both using the Neon CRM system and we hope to get financials and admin systems streamlined using this tool and QuickBooks online. He is getting the board officers on signature cards for the bank accounts. He was recently at the Idaho Wheat Commission board conference in Idaho Falls and presented on direct seed. Working with Oregon Department of Environmental Quality for a letter of certainty similar to what we have with Department of Ecology in Washington. James asked how our area compares to other areas of the nation in adoption of Direct Seed technology. Meyer described our state at about 50% adoption compared to the Midwest where direct seed is the norm. He noted that the rainfall in the Palouse makes growing conditions so good that producers don’t see the same pressure to change practices or conserve moisture. PNDSA staffs a booth at the Cascadia Grain Conference, the Tri-state Growers conference and Spokane Ag Expo. Managing the priorities of a large, tri-state board of directors is a key focus for Meyer right now.

Scheele asked about carbon-credit programs. Meyer said it was a 2-3 year program by PNDSA and it was the first of its kind in the nation. That program has ended. However, there are currently two companies, Native Energy and Applied Ecological Services, that originally worked with Shepherd’s Grain a few years ago to determine how much carbon is sequestered in the soil under certain farming practices. They are working to develop a trading system that will be accepted by the American Carbon Registry. The Midwest is saturated with direct seed, so these companies are focusing on the Northwest as an area where incentives can be implemented to increase adoption of no-till. They have indicated that there are companies ready and willing to buy credits. The price per ton is uncertain but every bit will help producers. Meyer is very interested in this for PNDSA to help our direct seeding producers. Statewide there may be an initiative on the next ballot for a carbon tax, but there doesn’t appear to be any eastside ag producers in the planning group and they are not likely to consider the impact to ag producers paying a tax on their fuel use, or the potential carbon benefit if they made direct seeders a recipient of some of that revenue.

**Property Update**

Carter is working with AHBL to obtain preliminary designs for construction and then we will go out for an RFQ for designs. AHBL is now tasked with creating a preliminary choosing cost-effective materials, designing for phased expansion, and leaving out non-essential elements. The existing building has two interested parties to purchase it. Garth Davis is on the property almost daily and
Vets on the Farm Update
Thousands of seeds were planted in the greenhouse this weekend for contracts with My Fresh Basket, Mama Torrez Salsa, and we have a contract in the works for the tribal casino. Angela Mulder will finish our GAP certification in April. The most recent VOTF meeting had almost 40 attendees. The north section of the property will be covered in tarp this year for weed control. We are in our last year before we can apply for organic certification. This spring there will be a farm stand on Tuesday evenings and Saturdays from 10am-2pm. The washroom is fully functional. The hoophouse needs some drainage work. Wendy Knopp and Carter will attend the SPLASH event in Chelan to kick off the Washington State Chapter of the Farmer Veteran Coalition.

Correspondence/Announcements:
Carter reviewed these items:
- State of Washington Sick Leave Law
- Creating a Standard of Care policy for our Vehicles
- Jilla is retiring June 30 and a new position will be created to handle grant management, healthcare benefits etc... it will be posted for hire as soon as it is written
- DOE 2 new grants: SRF with Farmed Smart and PNDSA components for $3.7 million, and new OSS grant for $1 million. This is for loans, grants, and loan-loss reserves.
- Continuing conversations with DOE revealed that tensions were in part from a law suit from the Spokane Riverkeeper. The settlement resulted in DOE being required to identify 5 livestock and 10 tillage operations each year that need improvement. It was not a monetary law suit. SCD would like to host town hall style meetings to make landowners aware of the new emphasis DOE is required to take.
- We will have a DOE guest speaker next month to talk about the Spokane River/Aquifer relationship.
- March 20: Newman Lake Showcase and introduction of Honeymoon Bay Feasibility Study
- WADE Conference will be June 11-13 – same week as board meeting.
- Garth Davis is being deposed as a consulting arborist for Spokane County.

Associate Supervisor Chris Eckhart described his use of bio-solids on the farm, and we may have a city representative out for a more in-depth presentation. The city offers class B bio-solids, and if they can do class A then it could be compatible with no-till farming. Chris offered to coordinate a presentation for a future board meeting with one of the bio-solids representatives.

READING OF THE MOTIONS
Motion James/Knopp to approve the agenda. Motion carried.

Motion James/Knopp to approve the February 13 meeting minutes as presented. Motion carried.

Motion James/Knopp to accept the February Treasurer's Report and March Accounts Payable. Motion carried.
Meeting adjourned at 6:42 pm.  
Respectfully submitted by: Erica Johnson

Jerry Scheele, Chair  
Randy James, Member

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.