

**SPOKANE CONSERVATION DISTRICT**  
 210 N. Havana, Spokane, WA 99202  
**BOARD MEETING MINUTES**  
 Tuesday, Feb 11, 2014

**PRESENT**

**Supervisors:** Jerry Scheele, Randy James, Jaki Shrauger, Tom Miller, Mary Sullivan

**Absent:**

**Associate Supervisors:** Dixie Riddle

**SCD Staff:** Vicki Carter (by phone), Jilla Loan, Erica VanNatta, Jim Armstrong, Garth Davis  
 Ty Meyer, Eric Choker, Rick Noll, Charlie Peterson

**Guests:** Chad Greif, BIAS; Fred Fleming and Vicki Fleming

Chair Scheele called the meeting to order at 5:30 pm, presented the agenda and noted that there would be an executive session in accordance with RCW 42.30.110 to discuss the performance of a publicemployee.

**Motion James/Miller to accept the agenda as presented by Chair Scheele. Motion carried.**

**PREVIOUS MEETING MINUTES**

Minutes from the January 14, 2014 meeting had previously been distributed for review.

**Motion Shrauger/Miller to accept the January 14, 2014 Meeting Minutes. Motion carried.**

**TREASURER’S REPORT**

**Auditor Jaki Shrauger, presented the Treasurer’s Report for January, 2014.**

ACCOUNT	BEG. BALANCE	DEPOSITS	WITHDRAWALS	END BALANCE	OUTSTANDING BALANCE	ADJ. BALANCE
<b>Argonne Mit. Fund</b>	65,852.06	0	0	65,852.06	0	65,852.06
<b>NW Pipeline Savings Acct</b>	61,224.32	0	0	61,224.32	0	61,224.32
<b>PayPal Merchant Acct</b>	0	11,543.61	8,954.75	2,588.86	0	2,588.86
<b>Bank of Fairfield Checking</b>	1,372,582.50	224,071.46	1,676,434.42	-79,780.46	188,145.04	108,364.58
<b>Bank of Fairfield MMA</b>	34,152.24	0	0	34,152.24	0	34,152.24
<b>LGIP</b>	0	1,250,000.00	0	1,250,000.00	0	1,250,000.00

Auditor Jaki Shrauger noted that the January bank statements had not been verified; the report will be voted on “as-is” and revisited at the March board meeting after being reviewed and verified by Shrauger. **January Treasurer’s Report: Receipts: 9427-9431, 9433-9480, 9486-9491, 9493-9623, 9629, 9637, 9639-9641; Claims: 41861-41959; EFTS: 62-73, 135, 162-164, 181, 223-235, 317-319; Voids: none. January Accounts Payable: \$68,136.43.** Erica VanNatta clarified the PayPal account and the ServPro claim. Mary Sullivan commented on the outstanding voucher reports and recommended that all checks prior to July 2013 be reissued or cancelled.

**Motion Sullivan/James to approve the January TREASURER’S REPORT as presented and February Accounts Payable as presented. Motion carried.**

**NEW BUSINESS / LINKAGE TO COMMUNITY**

***Public Comments and Introductions***

Chair Scheele introduced Fred Fleming and his wife Vicki Fleming to give a proposal to request loan funds for a “Rhizoterra” project. This company helps farmers understand how to manage their soils. Dr. Jill Clapperton is the co-founder and principal scientist of the company. A new tool called the “Tracer IV” has been created to give in-the-field soil test readings within 30 seconds. It is useful, but doesn’t read carbon and organic matter. Another piece of equipment, Alpha, is used for these readings. Fleming seeks a loan from the SCD to develop new calibrations and standards to use the equipment for agriculture. Vicki Carter suggested that Fred Fleming and Dr. Clapperton return with a formal loan proposal at the March Board meeting.

### ***Department Report Review***

Direct Seed: Ty Meyer shared pictures of our new drill being built at AgPro. No-till operator Travis Willson has booked 3,600 acres for this spring, 1000 for July canola seeding, and already taking bookings for Fall. March 1<sup>st</sup> was the original delivery date, but March 15 is looking more reasonable. Most spring acres will be in St. John area and then some near Davenport. There is a new company selling a liquid calcium carbonate that has produced amazing pH results on a test on a garbanzo field in Pullman.

### ***PNSA Report***

Ty Meyer stated that the Pacific Northwest Direct Seed Association conference had 500 attendees. The conference was a joint conference, Oilseed and Direct Seed. Travis Willson, Ty Meyer, Charlie Peterson and Vicki Carter attended. Peterson really liked the sustainable cover crops presentations. The cover cropping topic will be covered in depth on Feb 18<sup>th</sup> at the Enduris building.

### ***Farmland Preservation – 5-Mile First Farm***

Jim Armstrong reported that Washington State Conservation Commission and Office of Farmland Preservation can fund the purchase of development rights for the 5-Mile First Farm, but SCD will need to hold the easement. North Yakima CD is doing something similar. We will be responsible for long term monitoring to ensure that the property is only used for the intended farm purposes. Sullivan expressed reluctance to take on the liability. Carter is interested to know where the money would come from to fund a potential lawsuit against a future tenant that does not comply with the farming. Armstrong will approach the current landowners to make sure they are willing to pursue the idea and work with the WA Office of Preservation regarding the liability of any future legal proceedings.

## **GOVERNANCE CULTURE**

### ***NACD Report***

Charlie Peterson attended the National Association Conservation District meeting in Anaheim, CA. The New York State certainty program looked interesting and protected farmers from lawsuits. Forestry breakout sessions were also interesting.

### ***Election Announcement***

Armstrong noted that Randy James has turned in his petition for re-election. He is running unopposed so an election will not need to be held. Armstrong will fill out the appropriate paperwork to finalize his re-election.

### ***SRF Program Update***

Meyer presented an MOU from Okanogan Conservation District for the SRF loan program. It's our standard agreement at .5% interest returned to the participating conservation district. This brings us up to 18 conservation districts working in this MOU.

***Motion Sullivan/James to approve the SRF MOU with Okanogan Conservation District. Motion carried.***

### ***Kittitas CD Proposal***

Carter included a letter in the board packet from Kittitas Conservation District requesting a loan for a down payment or larger amount for their new office space. Armstrong stated that RCW 89.08.220 (sections 4, 5, 10 and 12) gives us the ability to loan these funds, if the board approves it. There are many questions, including: does this purchase fit into our mission of putting conservation on the ground? Most agree that the investment would result in more conservation dollars to put on the ground. How do we collateralize the loan? Miller says that Kittitas County could provide a guarantee on the assessment to KCD. In summary according to Chad Greif, this is not a simple loan and has a lot of moving parts. Greif will work with Carter to put together a letter of questions to KCD for the board to review and forward to KCD.

### ***Resolution for New Livestock and Land Contract***

Carter presented a resolution is for the loan component of the new DOE Livestock & Land, L140021 for \$100,000. Carter reported the loan documents had been reviewed by our legal counsel, K&L Gates.

***Motion Sullivan/Shrauger to approve the resolution F.01.16.14. for \$100,000.00 Motion carried.***

### ***Financial Report & Analysis***

Greif reported that our fund balance is heavy in equipment/physical assets. Our cash flow is good, but the fund balance could be better. Greif updated the SRF interest and drill income portion of the balance sheet and summarized the figures for the board. The 2013 interest to other districts participating in the Direct Seed

Loan was paid. The merchant services fees for credit card processing will need to become part of the budget. Carter added that the repayment of \$1.3 million for loans made in 2013 was approved by WA DOE and should be in our account in the next few days.

## **OPERATIONAL EXPECTATIONS**

### ***Legislative Update***

Armstrong is tracking several bills. A major one is [SB 6087](#) and it's targeted at Department of Ecology; enforcement action must be backed by site-specific science. Another major one is for Public Records Requests. There are additional bills targeting DOE. Locally, Armstrong has worked with the Hutterite Brethren to get variance to burn slash piles to prepare the property for production agriculture; the Spokane Regional Clean Air Agency would grant variance if approved by DOE, but DOE denied it. Jim Armstrong, Tom Miller and Vicki Carter met with legislators during WACD Legislative Days, Jan 27-28. They made it clear to legislators that conservation districts use DOE funding and that cutting funding to DOE would decrease CDs ability to put conservation on the ground. Armstrong stated that the assessment is up for reauthorization and our public hearing can be held March 11 as part of the regularly scheduled board meeting.

### ***Ag Expo Report***

Armstrong says Ag Expo numbers aren't in yet, but Farm Forum had 100 fewer FFA participants. The show and conference were really good.

### ***Employee Leave Policy***

Carter will present the three options in person at the next board meeting.

### ***Cost-share policy***

Carter gave background information regarding a miscommunication between SCD and WSCC for Firewise projects and Category 3 funding. After finding that there was no Category 3 funding for our projects, we were able to use Category 2 funding, but our initial voucher was rejected because our cost-share estimates were lower than our actual expenses (a difference of \$13,000). We will resubmit the voucher for an amount equal to original estimates and be paid that amount. We may revisit the issue later to try to help WSCC refine their policies. WSCC also took issue with SCD paying the contractors directly rather than the landowner paying the contractors and then being reimbursed by the SCD. In this situation, the cost-share was 100% and they were non-profit entities, not private landowners.

### ***Correspondence and Announcements***

- Feb 6 – Miller and Carter attended the OSS meeting with DOE. There are other entities participating in OSS, but not with attention to the details that we were concerned with. Miller feels comfortable going forward with best intentions and following rules to the best of our ability. We are still waiting on documents from DOE. In the mean time, we will continue to explore how we will secure these loans.
- Feb 18 - 9am, cover cropping seminar with national webcast from NRCS at Enduris, hosted by Ty Meyer, SCD.

### ***Executive Session***

The director's review was tabled until March. At 8:12pm Chair Scheele announced a recess for 10 minutes to hold the executive session in accordance with RCW 42.30.110 to discuss the performance of a public employee. The regularly scheduled meeting reconvened at approximately 8:20 pm. There was no further action taken as a result of the Executive Session.

## **CLOSING OF MEETING**

### ***READING OF THE MOTIONS***

***Motion James/Miller to accept the agenda as presented by Chair Scheele. Motion carried.***

***Motion Shrauger/Miller to accept the December 10, 2013 Meeting Minutes. Motion carried.***

**Motion Sullivan/James to approve the January TREASURER'S REPORT as presented and February Accounts Payable as presented. Motion carried.**

**Motion Sullivan/James to approve the SRF MOU with Okanogan Conservation District. Motion carried.**

**Motion Sullivan/Shrauger to approve the resolution F.01.16.14. for \$100,000.00 Motion carried.**

Meeting adjourned at 8:23pm.  
Respectfully submitted by: Erica VanNatta.

**Gerald Scheele, Chair**

**Randy James, Vice Chair**

---

---