

**SPOKANE CONSERVATION DISTRICT**  
4422 E 8<sup>th</sup> Ave, Spokane Valley, WA 99212  
**BOARD MEETING MINUTES**  
Thursday, February 9, 2023

**Attendees**

**Supervisors in person:** Chair Randy James, Tom Miller

**Supervisors attending remotely:** Jerry Scheele, Jaki Shrauger

**Absent:** Wendy Knopp,

**Associate Supervisors:** Chris Mahelona

**SCD Staff:** Vicki Carter, Jeannie Jesseph, Jeff Cunningham, Hilary Sepulveda, Lindsay Chutas

**Visitors:** Mike Baden from the Washington State Conservation Commission (WSCC)

**Visitors attending by phone or remote:** None

**Opening of Meeting**

The meeting was a hybrid of on-site and remote attendees using the Microsoft Teams app to connect the participants.

Chair Randy James called the meeting to order at 4:00 and led the Pledge of Allegiance.

**Minutes/Treasurer's Report**

**Acceptance of Consent Agenda**

The Consent Agenda was previously distributed. The board accepted the Consent Agenda items consisting of:

- February 9, 2023, Board Agenda
- January 10, 2023, Regular Board Meeting Minutes
- January 2023 Treasurer's Report
- February 2023 Payables Report

Chair James announced there would not be an Executive Session as listed on the agenda.

***Motion Miller/Scheele to accept the Consent Agenda, including the February Payables Report for \$745,381.92. Motion carried.***

Shrauger verified that the financial accounts matched the bank statements.

Jesseph explained that income from the Tree Sale exceeded the cap amount set by Paypal. When this happens, Paypal puts the funds on hold. This makes reconciling the account difficult because our financial software doesn't allow a transaction to be held; the money has either cleared the account or not. An adjustment entry was made to remedy the problem so the account could be reconciled, just like last year when this happened. This issue will be resolved when all the funds have been released in February. Cori Turntine raised the cap on the account to prevent this from happening next year.

**New Business/Linkage to Community**

**Public Comments**

None given.

**Governance Culture**

**WSCC Update**

Baden reported on bills discussed at the legislative session, primarily the Riparian Protection Bill and the Elections Study.

The Commission stands with the outcomes of the WACD Joint election Committee that came out last year. Election reform has come up again this year, and WSCC is concerned about the financial impact on CDs of putting the Supervisor Election on the general ballot. A Conservation Election Study bill is moving through the legislature right now. This bill will require some historic election cost calculations that may be hard to provide, mainly because the election record retention is only for one year. Carter forwarded to select senators the email from Vicki Dalton, Spokane County Auditor, where she had estimated the cost to put the SCD election on the general ballot would be over \$500,000.00.

The Riparian Protection Bill didn't go through, but a much improved revised version is moving forward. WSCC is starting the annual CAPP evaluation process.

### **Financial Oversight/Review**

Jesseph reviewed the January budget position. The City of Spokane Valley payment of over \$252,000.00 came in for the land easement. The revenue balance doesn't include payment from the county for the Rates and Charges assessment or the money from the University of Idaho for payment of the truck. Expenditures are typically higher in January because of renewal contracts, but this year January costs came in lower than projected. A large Department of Ecology loan payment was made. Large Direct Seed loans were made for some producers. When the amount from the University of Idaho is added to the unpaid invoices, SCD has almost half a million dollars outstanding. James commented that the amount is higher than usual, and Carter explained that it is because we have so many more grant projects in the works. The accounts payable report is high because it includes loans being made. One loan is for over \$339,000.00. Ty Meyer just received a DOE grant renewal that will provide a loan loss reserve and funds to pay for his time administering the loans.

### **Director's Report**

The WSCC has awarded two grants to SCD. The first is a Sustainable Farms and Fields grant for \$86,400.00. This grant will allow technical assistance for biofarming groups. It will also provide funds to write a curriculum and develop leadership within the groups. The second is a Food System Support grant for \$5,000.00. This grant will help plan our Scale House's development into a usable public space.

**Motion Scheele/Miller to approve the 23-40-SFF WSCC Sustainable Farms and Fields grant award for \$86,400.00 and to approve the 23-40-FP WSCC Food System Support grant for \$5,000.00. Motion carried.**

WSCC is anticipating funds for a Riparian Plant Propagation project. In anticipation of the approval of this project, Carter is getting bids to prepare the three acres at the top of our property for plant propagation. Water and power would be brought in, and the ground would be developed into a plant nursery.

Carter has reached an agreement with NoaNet to be our tenant in a portion of the new building, provided they sign the contract by March 1, 2023. They provide internet network service for all 911 calls across the state. The lease says they will rent for 11 years, plus another 10-year option, plus another 10-year option after that. Their first year will be rent-free to allow for costs for tenant improvements. They are expecting to pay over \$650,000 for building improvements in the first year. Their rent will go up incrementally. Our attorney has reviewed the contract. Carter will go back to CERB to ask for a one-year extension on our loan payment because the other side of the building is still vacant.

Carter is working on a design for a conference center for the remaining portion of the building. She hopes the conference center will hold 180-200 people. The conference center could be used by NoaNet for their monthly board meetings and would hold events sponsored by SCD. It wouldn't take many more event rentals to cover the

building loan payment. If the design comes back as hoped, Carter will request \$50,000 from CERB for a feasibility study.

Bodhi Health is interested in leasing part of the new building. They are a partnership of 10 women and would provide services including financial accounting, hair care, a nail tech, and a small café. Carter would like to vet the conference center idea before opening negotiations with Bodhi Health.

The first invoice for Intrinium has been sent out.

Carter hired a consultant to do a feasibility study on redesigning the Scale House. A one-page presentation was created that Carter and a lobbyist used for their presentation in Olympia. She met with key legislators to ask for funding to redesign the Scale House. The money would come from the Local Community Project fund. She received overwhelming support for the project. Senator Padden will forward the proposal to the Senate, and Representative Schmidt will present it to the House of Representatives. It was recommended that Carter break up the total cost into phases. She is requesting \$750,000.00 for the first phase of the project. SCD will pay for the costs upfront and then be reimbursed for the expenses. She will go back next year to request funds for the second phase.

### **Election Update**

Two candidates are running for the position of Elected Supervisor for the SCD Board of Supervisors. The incumbent, Randy James, and Michaela Kelso are each running for the position. Sepulveda has made the Ballot Request button easy to find on our website. Ballot requests are accepted through February 21, 2023.

### **Staff Reports**

Chutas reported that most of the Water Resources department has been working on the Hangman Creek Riparian Pilot program. Negotiations are underway with landowners regarding the improvements being proposed. Most of the contracts will be made in phases, beginning with planting this spring. Work crews will be hired to do a lot of the plant installation. SCD will be awarded a grant for a streambank restoration project on a tributary of Mica creek. The department has another project in the Dartford creek watershed and two more livestock projects.

Three landowners along Newman Lake have committed to installing improved septic systems.

Cunningham is writing a database to manage septic loans for landowners on Newman Lake. He is overseeing the fencing project for The Nest.

Sepulveda reported that the SCD AgExpo booth had a lot of traffic and good interactions. On day 10 of the Tree Sale, 815 tree sale orders were placed, and over 86,000 trees were sold. She has created a shared event calendar for all the SCD departments to help track all of the District's activities.

Jesseph has been creating grant vouchers and financial reports in Cori Turntine's absence. She has been working with the WSCC Springbrook User Group to improve software functionality and support other users of the software.

### **Close of Meeting**

#### **Correspondence & Announcements**

February 10-15, 2023, NACD Conference in New Orleans

March 14, 2023, SCD Board Meeting

April 27-28, 2023 MRSC Contracting and Procurement Training – specifically for CDs

**Reading of the Motions**

Jesseph read the motions.

**Motion Miller/Scheele to accept the Consent Agenda, including the February Payables Report for \$745,381.92.**

**Motion carried.**

**Motion Scheele/Miller to approve the 23-40-SFF WSCC Sustainable Farms and Fields grant award for \$86,400.00 and to approve the 23-40-FP WSCC Food System Support grant for \$5,000.00. Motion carried.**

Meeting adjourned at 5:12 pm.

Respectfully submitted by Jeannie Jesseph.

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**Randy James, Chair**

**Tom Miller, Vice Chair**