

**SPOKANE CONSERVATION DISTRICT**  
4422 E 8<sup>th</sup> Ave, Spokane Valley, WA 99212  
**BOARD MEETING MINUTES**  
Thursday, June 9, 2022

**Attendees**

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

**Supervisors attending virtually:** None

**Absent:** None

**Associate Supervisors:** Chris Mahelona

**SCD Staff:** Vicki Carter, Cori Turntine, Jeff Cunningham, Charlie Peterson, Jeannie Jesseph, Matt Stewart, Ty Meyer

**Guests:** Mike Baden from the WA Conservation Commission (WSCC), Rich Edlund from the Natural Resources Conservation Service (NRCS), and Eva Marquette from FreshVue.

**Opening of Meeting**

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

Scheele 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:

- June 9, 2022, Board Agenda
- May 10, 2022, Regular Board Meeting Minutes
- May 2022 Treasurer's Report
- June 2022 Payables Report

**Motion Shrauger/Knopp to accept the Consent Agenda, including the June Payables Report for \$516,013.82. Motion carried.**

Shrauger verified that the financial accounts matched the bank statements for May 2022 for all of the accounts except the Spokane County Investment Pool (SCIP). The SCIP cash transaction statement that showed only interest earned in May had been provided. The county does not create the SCIP monthly statement reflecting beginning and ending balances by the time of the board meeting. Jesseph will provide Shrauger with the previous monthly balance statement and the current month's interest statement before the upcoming board meeting to account for this issue.

**New Business/Linkage to Community**

Baden from WSCC and Edlund from NRCS were welcomed. Matt Stewart, SCD seasonal forester, was introduced to the board.

**Governance Culture**

**WSCC Report**

Regional Manager Mike Baden gave an update on WSCC happenings. He thanked the board for hosting the WSCC meeting last month. During that meeting, appointed and elected supervisors were certified. Jerry Scheele

has been appointed by WSCC, and Jaki Shrauger won the election, so both are SCD board supervisors through the next three years. Carter thanked Scheele and Shrauger for their continued service to the SCD.

\$10M was awarded to WSCC in the supplemental budget for riparian restoration. A webinar is being held tomorrow to solicit public comment. Engineering funding may be quadrupled in the supplemental budget and additional VSP funding. Approvals will be decided at the July 21 commission meeting held in Ellensburg.

A budget survey was sent to districts to provide feedback on their needs and priorities. This information will be used to create budget requests for the regular budget that begins in January.

### **NRCS Report**

Edlund reported that the NRCS had brought several million dollars for conservation projects to our area last year. He expressed his appreciation for the aid SCD is providing in doing status reviews for the Conservation Reserve Program (CRP). He and his team continue searching for and implementing grants in Eastern Washington.

Chair Scheele presented Supervisor Wendy Knopp with a certificate and pin from WACD President Jeanette Dorner, recognizing five years of service in successfully getting conservation on the ground.

### **Financial Update**

Turntine has submitted the 2021 Annual Report to the WA State Auditors Office. She thanked Jesseph for her help in preparing the report. Turntine reviewed each page of the report, explaining each schedule. The report has been posted on the Board Smartsheet page. Turntine asked board members to review the Annual Report and be ready to approve it at the July board meeting.

Turntine added that the Production Ag department brought in \$13,500.00 by renting the reverse osmosis watering machine to producers.

The budget position shows a deficit of around \$500,000.00. The CERB grant requires an \$800,000.00 match. SCD planned to contribute \$300,000.00, and Intrinium was expected to contribute \$500,000.00. SCD has contributed \$600,000.00 this year alone in match contribution. Overall, only \$24,000.00 remains to be paid.

SCD pays the main contractor, Kilgore Construction, each month and receives a CERB reimbursement in the same month. Last month for the first time, the CERB reimbursement didn't come in until the following month. The voucher was for almost \$425,000.00. This also contributed to the deficit shown in the budget position.

### **Director's Report**

Carter introduced Eva Marquette of FreshVue. FreshVue is a prospective tenant for our new building. They are a consulting firm providing strategic organizational design and development for businesses focusing on the human element. Initially, they were considering a portion of the south wing of the building. After visiting the site and hearing of the plan for this campus, they are considering leasing the entire east wing. Marquette sees the potential of having an event center built in the west wing and has some ideas for managing it. Carter believes FreshVue would be an excellent partner to lease the space.

Marquette will meet with a company called Constructiv. They have a modular system that can be used to build out the interior. Carter and Marquette are working through the numbers of the build-out cost and what a lease contract would look like. Carter is excited about the possibility of partnering with Marquette and believes her business will be a good fit for the SCD campus.

The new building was scheduled to be completed by June 1<sup>st</sup>. Supply issues are causing delays. The electrical panels are not expected to arrive until August. The building is without power until the electrical panels are installed.

The CERB board has asked Carter to give a presentation on June 16 to tell the story of how SCD has used their funding to achieve its goals.

Intrinium moved out of the existing office building on May 31. Carter will craft a letter with our lawyer to request reimbursement for construction costs associated with completing portions of the new building to their specifications.

The City of Spokane Valley has ordered an appraisal of our corner property to purchase. They need this area for storm drainage.

Carter and Cunningham walked through the vacated office building and discovered some damage that would need to be repaired. Carpets are being cleaned, walls are being painted, and windows are being washed in preparation for the next tenant. Years ago, the building was reinforced because it had started to sink. It needs repairs again because a wall slumps slightly, and some boards aren't lining up on the overhang. A consultant will be brought in to evaluate the situation and recommend the best way to fix the problem.

The building is up for lease. A preschool is interested as a prospective tenant.

The Master Gardeners would like to lease space for two new greenhouses from SCD. The greenhouses would be installed near the existing office building where the wood mill used to be. Master Gardeners will pay for their water and all of the costs associated with the construction. If they leave, they have a certain amount of time to move the greenhouses, after which they become the property of SCD. Our lawyer has already approved a lease. Carter recommends that SCD partner with Master Gardeners on this project.

**Motion James/Knopp to approve moving forward with the Master Gardener Foundation of Spokane County lease for two greenhouses to be installed on the SCD campus. Motion carried.**

Roylene Comes At Night from the USDA reached out to Carter regarding a program called the People's Garden Initiative. Carter submitted a proposal to her for \$50,000.00 to restore one of the campus ponds under this program. The program encompasses four types of gardens, not just for food. The pond will be a place for reflection and contemplation. Comes At Night will submit a request to the USDA for the money. Garth Davis and Jeff Reid are working on a Conservation Park Plan for our entire campus. It will address the different programs we want present on our campus and how to implement them. This plan will require public input. Carter hopes to have a draft ready to present at the August Planning Session. Some of our funding sources, especially the WA Recreation and Conservation Office, require an approved conservation plan to be in place before they award grants.

The August Planning Session will be called "Re-envisioning the Future." Carter wants to revisit the campus master plan and discuss the possibility of an event center. Suppose FreshVue becomes our tenant, and they

bring in the Constructive modular system to complete the interior of the building they lease. In that case, Carter wants to use the same modular system to finish the event center. James and Carter have been invited to speak at the Montana Association of Conservation Districts Annual Meeting. Carter proposed that they give their presentation at the August Planning Session. At that meeting, she would also like to work on the SCD Long Range Plan to be submitted to WSCC and begin crafting an agenda for a public meeting.

The WSCC Annual Plan of Work has been submitted.

Some staff changes are coming up. Seth Flanders will be leaving on July 14. Joe Zimbric will work on some farm planning with Charlie Peterson. Water Resource Department Manager Walt Edelen submitted a proposal to hire a Fishery Biologist. He believes this expertise is needed on the Water Resource Team.

The SCD Management Team went through the Clifton Strength Assessment and discussed the strengths and blind spots of the different personality types of the managers. WSCC awarded funding for the entire staff to take the assessment, and Turntine is setting that up now. Carter believes that understanding our strengths and weaknesses and those with whom we work will help build better teams. Carter will make this available to supervisors for board training.

Carter and Turntine met with the new Numerica Loan Officer, Brent Wise. He was impressed by all that is happening on our campus and understood the SCD vision for the property. He is very supportive.

At the last board meeting, it was mentioned that a landowner had reached out to SCD to put some of their lands into conservation. Since then, they have received a significant offer on their property and are reviewing their options.

Engineering will be done to manage excess water on the property. Our hydrology changes as more construction is done around us. There was a lot of stormwater this spring, and plans need to be made to contain it properly.

A proposal was made to SCD to lease the land at the top of the property to be used as a landscape materials storage site. In the interest of being good neighbors and not bringing large dump trucks into the area, the board is not in favor of this idea.

Next week is hectic for SCD staff. The Washington Association of District Employees (WADE) is next week, and many of our staff are presenting or attending the annual conference. PNDSA has an event that will take staff out of the office. Carter and James are going to give a presentation in Montana. In light of the decreased number of staff in the office, it has been decided to have the SCD office open to the public by appointment only from June 13-15.

The office will be closed on Monday, June 20, in honor of the Juneteenth holiday.

James asked about the status of the fence along the top of the property that a neighbor had cut. The City has not responded to multiple requests from Carter and our attorney to come to look at the fence and discuss the situation. The neighbor has provided a letter saying he accepts liability for removing the fence. James still

has concerns and would like the SCD to reconstruct a fence. Cunningham will begin the process of getting a fence built. Carter will revisit the topic with our attorney and Enduris. James will reach out to the City regarding the liability.

There is no update at this time on the outstanding SRF loan. Meyer reached out to our lawyer a few weeks ago on this issue but hasn't heard back.

### **Board Officer Election**

Chair Scheele asked for a vote to elect a new Board Chairman. After some discussion, the conclusion was reached that James will serve as Chairman, Miller will serve as Vice-Chairman, and Shrauger will continue as Auditor-Treasurer. The new positions become effective at the August board meeting.

#### **Motion Miller/Knopp that James become Board Chairman. Motion carried.**

A new Board Vice-Chairman needed to be chosen to fill the vacancy left by James.

#### **Motion James/Knopp that Miller become Board Vice-Chairman. Motion carried.**

Miller abstained from the vote.

Shrauger agreed to retain her position as Board Auditor-Treasurer.

#### **Motion James/Knopp that Shrauger retains her position as Board Auditor-Treasurer. Motion carried.**

Miller nominated Scheele to be an SCD Honorary Board Chairman for life for all of his years of service.

#### **Motion Miller/James that Scheele be an Honorary Chairman for life. Motion carried.**

### **Staff Reports**

Meyer shared that the volume of farm equipment loans is picking up. Many farmers are purchasing a new piece of equipment called a seed destructor. This equipment attaches to the back of the combine and destroys all seeds. This reduces the required tillage and the need for chemical weed killers. Large producers can realize a return on investment for this machine quickly. Our loan amounts are going up as producers invest in more equipment. There is \$1.5 million remaining in the Dept. of Ecology grant. The SCD loan's current interest rate is 3.5%. The board will review the interest rates on our loans at the August Planning Session.

The Direct Seed Association has a soil health field day next week. John Kemp will speak at their winter conference.

Ray Archuleta and Alejandro Carrillo will be at the SCD June 21-23. A public presentation will be held on the 21<sup>st</sup>. June 22-23, the presenters will be meeting with our local Bio-Farming group. These speakers are some of the best in the world.

Cunningham reported that he had received more calls for OSS projects. Our OSS Program is well funded and ready to help people get connected to the sewer.

Peterson said that work on the RM17 Project had been delayed by rain, but one of the banks has begun being shaped. He talked about how existing projects on Hangman Creek are reducing erosion.

Jesseph shared that she is planning for a temporary increase in workload because June 30 is the end of the biennium, followed by the July 4 holiday weekend and other circumstances.

Sepulveda did not attend the meeting in person but gave each board member a written report.

Turntine will be at WADE to facilitate the administration track.

**Close of Meeting**

**Correspondence & Announcements**

June 21 Public Field Day to show farm trials

July 4 SCD office closed

July 12 SCD Board Meeting

**Reading of the Motions**

Jesseph read the motions.

**Motion Shrauger/Knopp to accept the Consent Agenda, including the June Payables Report for \$516,013.82. Motion carried.**

**Motion James/Knopp to approve moving forward with the Master Gardener Foundation of Spokane County lease for two greenhouses to be installed on the SCD campus. Motion carried.**

**Motion Miller/Knopp that James become Board Chairman. Motion carried.**

**Motion James/Knopp that Miller become Board Vice-Chairman. Motion carried.**

**Motion James/Knopp that Shrauger retains her position as Board Auditor-Treasurer. Motion carried.**

**Motion Miller/James that Scheele be an Honorary Chairman for life. Motion carried.**

Meeting adjourned at 6:10 pm.

Respectfully submitted by Jeannie Jesseph.

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**Gerald A Scheele, Chair**

**Randy James, Member**