

SPOKANE CONSERVATION DISTRICT
4422 E 8th Ave, Spokane Valley, WA 99212
BOARD MEETING MINUTES
Tuesday, July 12, 2022

Attendees

Supervisors in person: Chair Randy James, Jerry Scheele, Tom Miller

Supervisors attending virtually: Jaki Shrauger, Wendy Knopp

Absent: None

Associate Supervisors: Chris Mahelona

SCD Staff: Vicki Carter, Cori Turntine, Jeff Cunningham, Jeannie Jesseph, Hilary Sepulveda, Walt Edelen, Jeff Reid

Visitors: Brian Werst, Deanna Willman – Legal Counsel, Witherspoon Brajcich, McPhee

Opening of Meeting

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

James called the meeting to order at noon 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:

- July 12, 2022, Board Agenda
- June 9, 2022, Regular Board Meeting Minutes
- June 2022 Treasurer's Report
- July 2022 Payables Report

An Executive Session was added to the agenda in accordance with RCW 42.30.110(1)(ii) litigation that the agency reasonably believes may be commenced by or against the agency, the governing body, or a member acting in an official capacity, and RCW 42.30.110(1)(iii) litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency. The Executive Session will begin at approximately 1:15 based on the arrival of our attorney.

Motion Scheele/Miller to accept the Consent Agenda with the addition of the executive session, including the July Payables Report for \$359,937.70. Motion carried.

Shrauger verified that the financial accounts matched the bank statements.

New Business/Linkage to Community

Chair James introduced a new employee, Jeff Reid, from the SCD Forestry Department.

Governance Culture

WSCC Report

WSCC Regional Manager, Mike Baden, was unable to attend the meeting.

Financial Update

Turntine reviewed the amount of June revenues and expenditures, showing a deficit of \$424,822.00. A preliminary total of outstanding second quarter vouchers total \$397,000.00, which offsets the deficit. There was no significant activity to report in June. The report of checks over \$10,000 is more extensive this month because there were some new SRF loans, a DOE payment, construction expenses, and a contractor payment for the RM17 II project.

SCD has two new grant contracts with DOE.

One grant is for a Newman Lake Project. The \$1M grant was awarded July 1, 2021, extending through June 30, 2026. After working through a few details and changes, SCD is ready to sign the contract. \$500,000.00 is for the project, and the remaining \$500,000.00 is a loan agreement. The loan portion has a .8% interest rate. The loan portion will provide low-interest loans to homeowners interested in repairing or replacing their existing septic system with an approved treatment system. There is no loan loss reserve for these funds. Resolution F.07.12.22 was presented for the board to approve this DOE contract.

Motion Miller/Scheele to approve Resolution F.07.12.22 to accept DOE agreement WOC-2022-SpoCoD-00134. Motion carried.

The second DOE grant is for the Hangman Creek Riparian Restoration and Conservation Program Pilot. This grant is for buffers in the Hangman Creek area. Multiple landowners are already interested in this program. Homeowners will sign 15-year buffer contracts. Only landowners that have received a DOE notice letter are eligible. Up to 50-70 acres of streambank will be impacted. All of the money from this grant must be committed by June 2023. The DOE is allowing SCD to open a reserve bank account to hold contract funds for buffer installation and maintenance through the duration of the contracts.

Motion Miller/Scheele to establish a new separate reserve bank account with Numerica to hold these funds. Motion carried.

Approval is needed for the 2023 WSCC Implementation grant addendum. The funds will be used for staffing to implement conservation in our district.

Motion Miller/Scheele to accept the 2023 WSCC Implementation Grant addendum of \$117,823.00. Motion carried.

Turntine announced that she is expecting a baby boy in January 2023, to the board's delight.

Director's Report

A private pre-school is very interested in the old Intrinium building. They will send us a letter of intent to lease the building. They would like to move in this September if the contract goes through. A few items need to be worked out. Legally they are required to be in a building with a sprinkler system. The old Intrinium building does not have a sprinkler system. The cost of this installation would have to be paid by the school. They are required to have a fenced play area for the children. Carter thinks the sideyard could be a good place for this. The law also requires that bodies of water must be fenced. Carter hopes the lease can be designed not to include any of our ponds.

Carter has been meeting with FreshVue, a prospective tenant for the new building; They are interested in using 5,000 square feet of our new facility. Our attorney has drawn up a lease contract. SCD still needs to put electrical in the building. If there are no more parts delays, power is set to be installed on August 18th. FreshVue will pay for other tenant improvements. A six-dollar-per-square-foot adjustment will be made on the lease for the first two

years to help offset the cost of the capital improvements. They need to be out of their current building by Sept. 10th. If the building is not ready, Carter has agreed that they can use the conference portion of the building. In the third year of the lease, payments will be changed to match current market levels. This will be a 10-year lease with a 10-year renewal and the first right of refusal if SCD decides to sell the building.

Motion Scheele/Miller to authorize Carter to move forward with FreshVue lease negotiations. Motion carried.

Janea Stark, Executive Director of CERB, will tour our campus on Saturday to see our new building. Carter will request that our payments be delayed by one year due to the hardships we have encountered by losing Intrinium and not having a current tenant. She will also request feasibility money to study scale house possibilities and the top part of the property for potential housing.

The spouse of a recently deceased veteran is requesting funds from SCD to restore her failing well in Spokane. She has reached out to other agencies like SNAP but has not been able to get any help. This project is not available for OSS funding. SCD does not have a program that covers this situation, so offering a loan to her would set a precedent. Edelen would like to work with her to solve her problem. This topic was tabled to ask Attorney Brian Werst following the executive session.

Interested SCD employees are having a float day tomorrow, July 13. They will float 3.5 miles down the Spokane River from Sullivan to Islands Trailhead. Board members are invited to join in the fun. Lifejackets are mandatory.

Commodity Buffer Program Coordinator, Seth Flanders, will leave SCD on July 14. He is leaving us to pursue a doctorate from Washington State University.

August 16 is the Revisioning and Board Planning Session. Shrauger will be available to attend from noon to 1:00. Carter would like to discuss the names of the buildings on our campus. For example, the newest building could be the Partnership Building. Carter will have more information about the feasibility studies to talk about. She is looking forward to revisioning the campus plan created five years ago.

The City of Spokane Valley received an appraisal to purchase a corner of SCD property for a storm drainage right-of-way, but they have not contacted the district to negotiate a contract.

Carter has signed an agreement with the Master Gardeners to install greenhouses on the campus. They will develop the area surrounding the greenhouses into demonstration sites.

Staff Reports

Edelen reported that SCD has another grant being made available. This will be for riparian projects and livestock operations. The water department is pursuing CREP projects and funding.

Reid is working on a thorough forest health inventory of our campus. This will document tree and bush species, measurements, and location. This will track our urban forest's growth, health, and changes.

Chair James spoke about the outstanding presentation on soil health and farming put on by the bio-farming program. He was amazed how one of the presenters managed his property by grazing animals and not using chemicals. This farmer was able to transform his desert land into grassland.

Cunningham installed a new mailbox for the entire campus. The new quarry signage at the entry gate and in front of the SCD building.

Carter mentioned how nice the forestry department's pond restoration projects look around the campus. She thanked Edelen for his work and inspiring crews to complete most of the trail through the campus.

Sepulveda thanked James for attending the Field Day with Ray Archuleta and Alejandro Carrillo. She helped to organize the event. She said it was a great day, and the speakers were knowledgeable and inspiring. The Farm and Food Symposium is scheduled for November 9 and 10. Rick Clark will be the keynote speaker. The event will only feature bio-farming. The Rocks to Roots Podcast just finished its fourth season.

Scheele read portions of a newspaper article regarding a fourth-generation farmer and how he uses conservation practices on his farm.

Jesseph reported working on quarterly reports and getting things done ahead of time before she goes on vacation.

Chair James adjourned the regular board meeting at 1:00 pm for the executive session in accordance with RCW 42.30.110(1)(ii) regarding litigation that the agency reasonably believes may be commenced by or against the agency, the governing body, or a member acting in an official capacity, and RCW 42.30.110(1)(iii) regarding litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency. It was estimated to take 30 minutes. Notice was given to the public for an additional 20 minutes of executive session.

The regular meeting reconvened at 1:52 pm.

Carter explained the situation regarding the widow and her failing well to Attorney Werst. She asked what SCD could do to help. Werst recommended that SCD develop an internal program, authorized by the board, for situations like this. He said the District could receive a finding from the SAO for lending public funds outside of an established program.

Close of Meeting

Correspondence & Announcements

August 9, 2022, SCD Board Meeting

August 16, 2022, SCD Revisioning and Board Planning Session

November 9-10, 2022, Farm and Food Symposium

Reading of the Motions

Jesseph read the motions.

Motion Scheele/Miller to accept the Consent Agenda with the addition of the executive session, including the July Payables Report for \$359,937.70. Motion carried.

Motion Miller/Scheele to approve Resolution F.07.12.22 to accept DOE agreement WOC-2022-SpoCoD-00134. Motion carried.

Motion Miller/Scheele to establish a new separate reserve bank account with Numerica to hold these funds. Motion carried.

Motion Miller/Scheele to accept the 2023 WSCC Implementation Grant addendum of \$117,823.00. Motion carried.

Motion Scheele/Miller to authorize Carter to move forward with FreshVue lease negotiations. Motion carried.

Meeting adjourned at 2:15 pm.
Respectfully submitted by Jeannie Jesseph.

Randy James, Chair

Tom Miller, Vice Chair