

SPOKANE CONSERVATION DISTRICT
4422 E 8th Ave, Spokane Valley, WA 99212
BOARD MEETING MINUTES
Tuesday, September 13, 2022

Attendees

Supervisors in person: Vice Chair Tom Miller, Jerry Scheele, Jaki Shrauger

Supervisors attending virtually: Wendy Knopp

Absent: Chair Randy James

Associate Supervisors: None

SCD Staff: Vicki Carter, Jeannie Jesseph, Jeff Cunningham, Hilary Sepulveda, Garth Davis, Ty Meyer

Visitors: None

Opening of Meeting

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

Vice Chair Miller 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:

- September 13, 2022, Board Agenda
- August 9, 2022, Regular Board Meeting Minutes
- August 2022 Treasurer's Report
- September 2022 Payables Report

Motion Scheele/Shrauger to accept the Consent Agenda including the July financials and the September Payables Report for \$625,193.91. Motion carried.

Shrauger verified that the financial accounts matched the bank statements.

Due to the Treasurer's absence, the July Treasurer's Report was not verified at the August board meeting. Shrauger verified that the July financial accounts matched the July bank statements.

New Business/Linkage to Community

Public Comments

No public comments were given.

Governance Culture

WSCC Report

WSCC Regional Manager, Mike Baden, was unable to attend the meeting. Carter reported that the commission is wrapping up policy and program details for recent funding allocations.

Financial Update

Jesseph reviewed the Budget Summary report. Revenue from the Spokane County Rates and Charges Assessment largest deposits primarily come in twice a year, with the next large payment coming in

November. The Unpaid Invoices report shows over \$300,000 in outstanding payments. Anticipated payments from the defunct new building partner are not expected to come in until 2023. Revenue from Farm and Food registrations is just beginning to come in. Costs for Operational Expenses will be lower than projected because there is no audit this year. The SAO has requested that we have audits done every two years instead of annually. Some budgets have been mostly spent due to payments and purchases made earlier in the year. For example, some items, such as the SCW annual contract, were due at the beginning of the year, and the farming season is mainly wrapped up for 2022. Due to unforeseen obstacles, some projects included in the budget will not be completed this year. These factors must be included to understand the present negative budget position.

Director's Report

WSCC offers a Capital Funds Advance for the NRI grant to help pay for capital expenses. Usually, the district has to wait until the project is complete before being reimbursed. An advance will help with cash flow while the project is under construction.

Motion Scheele/Shrauger to request a WSCC Capital Funds advance of \$40,537.86. Motion carried.

Carter met with Intrinium owner, Nolan Garrett, regarding the outstanding amount owed for tenant improvements he had requested in the new building. He wants to make monthly payments beginning in 2023. Carter was delighted with his attitude and commitment to paying back the expenses made on his behalf. Carter requested that Garrett meet with the board after he has put together his budget projections. The board would like to have Garrett personally guarantee a promissory note for payment.

Wex Fleet Universal manages the SCD credit cards used by employees to purchase gasoline. They recently changed their online platform, so SCD has had two accounts to manage this during this transition. Turntine was having difficulty accessing the old system to reconcile the accounts. Turntine received a message that our payment was late. Our latest payment was only applied to the old account. The new account needed to be paid, so Turntine made an online ACH payment for \$2,148.35. She wanted the board to know because it went outside the standard payment procedure.

Carter reported that she has had multiple conversations regarding the 640 acres owned by Brian Jones and his family along the Snake River. He wants the land to be used in a way that promotes conservation. He has reached out to multiple conservation agencies for help with this goal, but so far, no one has been able to help him. After consulting with Palouse CD, Carter recommends Spokane CD step back from further action.

Eva Marquette from Fresh Vue has sent a lease agreement proposal for office space in the new building. Marquette is asking for SCD to pay for part of the tenant improvements. Carter is reviewing options to make this a workable solution.

There will be an Open House at the new building on September 27. The building has temporary power as we wait for supply chain issues to be resolved so permanent power can be installed.

Carter will present a request for a \$50,000 grant to the CERB Board on September 25 in Washugal. The money will be used for a feasibility study on the scale house. She will also provide an update on the new building.

Carter met with representatives from the City of Spokane Valley and the Master Gardeners Foundation regarding the installation of new greenhouses. Following the meeting, SCD got the go-ahead to submit a full application for this project.

One of the ideas from the SCD Planning Session was to create an Advisory Committee to guide the future development of the campus. Carter has begun working on a list of people to develop the charter document for the committee.

The City of Spokane Valley notified Carter that they had received an appraisal to purchase the corner of our property for an easement. They are reviewing the assessment and hope to get back to Carter early next week with more information.

SCD has terminated the equipment/operator portion of the Small Farm Program. Several pieces of equipment purchased for this program are no longer needed, so Carter would like board approval to surplus the equipment. The excess equipment is a spreader truck, truck sprayer, International tank truck, McGregor harrow, brush hog mower, Ag Enterprise sprayer, and Truax no-till drill with trailer.

Motion Shrauger/Scheele to surplus the seven excess pieces of equipment listed with a potential value of \$86,500. Motion carried.

Carter disclosed that her brother owns a small business that refurbishes and sells used equipment. He currently has a 773 Bobcat skidsteer in excellent condition. Our current Bobcat has many hours and is too small to do all the things that need to be done on this property. The cost of this larger Bobcat is \$19,000. Multiple staff members have checked into it and think this is a great deal, so Carter would like to move forward with the purchase which is well under book value. The old Bobcat will be taken to the farm after installing new tires.

The WACD NE Area meeting will be held on October 20 in Davenport. All supervisors are encouraged to attend.

SCD has received multiple land management easement requests. Carter would like to add this to our Long-Range Plan to determine the best utilization of these properties.

The newly formed Loan Committee met on September 8 to discuss current loan policies and interest rates. They will meet quarterly. The Loan Committee recommends that the SRF interest rate be increased on five-year and seven-year loans by 1%. Compared with available commercial rates, SCD is substantially lower even with the increase. The proposed increase would be effective October 1, 2022.

Motion Scheele/Shrauger to increase SRF interest rates on five-year and seven-year term loans by 1% effective October 1, 2022. Motion carried.

The Loan Committee is considering creating a hardship fund for the Newman Lake area. This will be further discussed at the December meeting.

Staff Reports

Meyer reported that the farming program is going well. He anticipates that it will slow down as farmers start harvesting and seeding the next crop but will pick back up after a month. Because of supply chain issues, loans will delay the payment by several months after the equipment is ordered until the equipment is completed and ready to be purchased. The DOE said they could add more dollars to the loan program so we can write more loans to farmers. The Biofarming program is going well. He is waiting to hear back on the USDA grant application to determine how to move forward with the program. His team is working on the Farm and Food Symposium. He and Scott Gail will be attending an agriculture investment forum to discuss regenerative ag programs and see how we can work with investors.

Cunningham has been working with our new tenant, The Nest, to get settled into the front building. He re-keyed all the doors. He has been meeting with contractors to get a fence installed for them.

Davis announced that the Forestry Department is offering volunteer opportunities every Friday in October. There is a Forestry Field Day on October 28 for people to tour our campus, learn about our projects, and view demonstrations for milling, chipping, and equipment handling. Representatives from Master Gardeners, the City of Spokane Urban Forestry Department, Bartlett Tree Experts, Avista, and FMI Equipment will be onsite. Matt Stewart will set up his wood mill. Davis and Ben Peterson are working on a USDA Community Wildfire Defense grant that they hope will supplement our Firewise Program. He is working on reviving the Inland Tree Conference in January. The Forestry team will attend PNW ISA training to get CEUs to maintain Certified Arborist classification.

Sepulveda created a calendar of SCD events for the Supervisors to help keep track of all the activities happening in the fourth quarter of this year. The Farm and Food Conference is shaping up. She has been working with the guest speaker, Rick Clark, on the logistics of his visit. She has been keeping our website updated with all the happenings. The Rocks to Roots podcast is beginning a new season. She has taken over some Farm Corridor responsibilities since Joe Zimbric left. She is creating a new website that will include all four Farm Corridors.

Jesseph is being trained to take on some more vouchering responsibilities. She will also learn what she needs to do to cover while Turntine is out with her new baby.

Carter and Walt Edelen are working on a job description to create a new position for VSP and the Commodity Buffer program.

The Water Resources dept. has hired a Stream Restoration Coordinator to focus on fish habitat beginning on October 3, 2022. He will attend the next board meeting to meet the Supervisors.

Close of Meeting

Correspondence & Announcements

October 11, 2022, SCD Board Meeting

October 20, 2022, WACD NE Area Meeting in Davenport

November 9-10, 2022, Farm and Food Symposium

Reading of the Motions

Jesseph read the motions.

Motion Scheele/Shrauger to accept the Consent Agenda including the July financials and the September Payables Report for \$625,193.91. Motion carried.

Motion Scheele/Shrauger to request a WSCC Capital Funds advance of \$40,537.86. Motion carried.

Motion Shrauger/Scheele to surplus the seven excess SRF pieces of equipment listed with a potential value of \$86,500. Motion carried.

Motion Scheele/Shrauger to increase SRF interest rates on five-year and seven-year term loans by 1% effective October 1, 2022. Motion carried.

Meeting adjourned at 5:10 pm.
Respectfully submitted by Jeannie Jesseph.

Randy James, Chair

Tom Miller, Vice Chair