

SPOKANE CONSERVATION DISTRICT
4422 E 8th Ave, Spokane Valley, WA 99212
BOARD MEETING MINUTES
Tuesday, October 11, 2022

Attendees

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

Absent: Chair Randy James

Associate Supervisors: Chris Mahelona

SCD Staff: Vicki Carter, Cori Turntine, Jeannie Jesseph, Jeff Cunningham, Walt Edelen, Eric Allen, Ben Peterson

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:

- October 11, 2022, Board Agenda
- September 13, 2022, Regular Board Meeting Minutes
- September 2022 Treasurer's Report
- October 2022 Payables Report

Motion Scheele/Knopp to accept the Consent Agenda, including the October Payables Report for \$322,939.29. Motion carried.

Shrauger verified that the financial accounts matched the bank statements.

New Business/Linkage to Community

Public Comments

No public comments were given.

Mark Daily from Integrus Architecture did not attend the meeting. He will present SCD with two awards when he comes next month.

Edelen introduced our new employee, Eric Allen.

Governance Culture

WSCC Report

WSCC Regional Manager, Mike Baden, was unable to attend the meeting. Carter spoke with him before the meeting, and he wanted to be sure that Conservation Month was discussed. Conservation Month came from the WSCC Election Committee. Every March, the work of conservation districts will be highlighted to the public. They will also promote conservation elections. They recommend that all conservation districts statewide hold their elections during this month. It is anticipated that this will increase participation in our elections. SCD Chair, Randy James, is up for election and SCD Vice Chair, Tom Miller, is up for appointment in the next cycle.

WACD NE Area Resolutions

The WACD NE Area meeting will be held in Davenport on the 20th. Carter asked the board if anyone wanted to bring a resolution to the meeting, but none were discussed. WACD needs a new NE Area director. Anyone interested was asked to contact Mike Mumford of POCD.

2023 Draft Budget

Turntine reviewed the budget position report. The Rates and Charges County revenue has come in slower than the previous year's trends, creating some cash flow issues. September ended with an increase in cash flow of \$16,000. There are almost \$195,000 in receivable invoices.

Turntine presented the first draft of the 2023 budget. County assessment revenue in 2023 will be determined after Rates and Charges are certified at the end of December, but for budgeting purposes, a conservative 3% increase is anticipated. We have experienced a loan increase in our OSS and SRF programs, so those budgets are increased. SCD just received a \$50,000 CERB grant and is anticipating receiving another \$50,000 for a feasibility study here on the property. Turntine estimates that the 2023 expenses in this program will be \$75,000. The 2023 fiscal year budgets for most WSCC grants have been created. Under the charges for services budget, the Farm and Food Expo registration has increased to \$275. The Inland Tree and Landscape Conference is coming back in 2023 and has been added to the budget. The Bio-Farming program is moving towards an online learning platform for its members with a budget of \$20,000. The lease revenue includes WSCC office space rental and anticipated income from leasing half of the Partnership Building. The 2022 building contribution budget of \$150,000 still needs to be received, so Turntine included a portion of that money to be received in payments in 2023. There is potential revenue from a permanent easement with City of Spokane Valley for the retention pond. Overall our revenues have decreased by \$2.5M, primarily due to the CERB loan. The impact of the COLA and inflation rates on employees' salaries and benefits continues to be discussed. Budget line items related to the Havana property have been deleted. The gasoline budget has been increased to account for rising fuel prices. Insurance premiums have increased for 2023, but our rate will decrease after removing the Havana property from our policy. The office furniture lease will be paid off next year. Our OSS loan grant only has one more payment in 2023. Expenses have been reduced by \$2.9M, which leaves a budget excess of \$500,000. The SRF loan balance from DOE is \$680,000, and the loan repayment is \$775,000. As projected, SCD was upside down on this loan for a while but has now turned the position around. Meyer is working on a new DOE loan grant and hopes a loan loss budget will be included in the amount. Another draft of the 2023 budget will be presented at the November board meeting. A final draft of the budget will be brought for approval at the December board meeting.

Director's Report

The Water Resources department is interviewing people for a VSP position, and Carter hopes to introduce them at the November board meeting. Carter will be hiring a temporary employee to help while Turntine is out on maternity leave to help with administrative duties.

Kristine Renfro is returning to school but will continue working part-time through October.

Kiemle & Hagood hosted an open house event at the Partnership Building. Around 30 people came to tour the building. Officials from the Spokane Valley Chamber of Commerce took a tour. There is talk about using the west side of the building for an event center. Carter is working with a consultant to draft a letter that would go to the legislature to ask for earmarked funds to create an event center here on the SCD campus.

CERB awarded a \$50,000 feasibility grant to research options for developing the scale house. Some ideas include installing a refrigerated area for our tree sale and building a patio to host events like farmers' markets. Four Roots is interested in partnering with SCD on this project, which could make the project eligible for more CERB money.

Carter is excited about the possibility of having money earmarked or a CERB grant to develop an event center.

FreshVue is still interested in developing a portion of the Partnership Building, but the cost of building out a whole side is out of their range. WSCC is interested in half of the space on the same side as FreshVue for a science center. Carter is working out the details of having both FreshVue and WSCC as tenants for the east side of the building.

The City of Spokane Valley has received an appraisal on the drainage pond. They will call tomorrow to begin negotiating a price for this part of our property.

The power panels for the Partnership Building still have yet to arrive due to supply chain issues. The building has been temporarily wired and is energized while we wait for the power panels.

Carter has spoken with the owner of Intrinium regarding the money spent on their behalf on constructing the Partnership Building. She requested a promissory note before the end of the year for the amount due from the tenant agreement.

The Havana building will be turned back to Spokane County on October 31. SCD is turning off maintenance contracts and will remove the building from liability insurance coverage to reduce expenses.

The defaulted equipment loan case is set to court again tomorrow. Possible negotiations with FSA have not come to fruition as of today.

SCD has sold surplus pieces of the SRF equipment, as discussed in the previous board meeting, with a few more left to sell.

SCD didn't get the \$82 million USDA grant. The biggest awards went to Pepsi and other corporate giants for climate-smart funds. The Production Ag department is breaking down the large proposal into pieces they can begin implementing. Meyer and Gail are at a conference on Regenerative Ag. Meyer is submitting a new grant application for money to lend to farmers following BMPs wanting to upgrade their equipment.

SCD continues making improvements to The Nest building. There have been some settling issues under the sidewalk. A new gutter system will be installed. Cunningham is getting bids on installing a new fence.

Work on the rock pile behind the office will begin in November.

Funding Award

WSCC has awarded a Fire Recovery grant for \$3,125.00. This funding will be used to seed ten acres and install some shrubs.

Motion Knopp/Shrauger to approve Fire Recovery grant 23-40-FR for \$3,125.00. Motion carried.

Staff Reports

New employee, Allen, reported that he has been going out on projects with Dan Ross to get an idea of the work he will be doing here.

Edelen reported that the Water Resources team continues to work on many projects. They were just awarded a streamflow restoration grant for work north of the Little Spokane. The team is formulating another significant

proposal for a project on Hangman Creek. Dan Ross has finished construction at the RM 17 Phase II project. The Little Hangman project is delayed due to funding and timing issues. Supplies for the 3F2P project have yet to arrive, delaying two projects until spring. Planning is underway for the fish barrier project on Waikiki along with the Spokane Tribe. SCD will help get engineering money to create a design. SCD is working with Avista and DNR to eradicate flowering rush from 1.1 miles of Hangman Creek. This project will begin in spring.

Peterson shared that the Forestry Department recently attended the International Society of Arboriculture (ISA) conference. He has been doing many Firewise inspections. The Forestry Department is hosting Volunteer Days every Friday in October to work on our property. Planning has begun for the Inland Tree Conference. He has been gathering tree seeds to be used to grow trees for the Tree Sale.

Jesseph reported that she has been working closely with Cori in preparation for when Cori goes on maternity leave. She is learning many new things, including how to submit grant vouchers to all the agencies we work with. She shared her takeaway from the Public Records Act webinar she attended.

Close of Meeting

Correspondence & Announcements

October 20, 2022, WACD NE Area Meeting in Davenport

November 8, 2022, SCD Board Meeting

November 9-10, 2022, Farm and Food Symposium

Reading of the Motions

Jesseph read the motions.

Motion Scheele/Knopp to accept the Consent Agenda, including the October Payables Report for \$322,939.29. Motion carried.

Motion Knopp/Shrauger to approve Fire Recovery grant 23-40-FR for \$3,125.00. Motion carried.

Meeting adjourned at 5:50 pm.

Respectfully submitted by Jeannie Jesseph.

Tom Miller, Vice Chair

Jaki Shrauger, Treasurer