

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

Attendees

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

Attending by phone: Jerry Scheele

Absent: None

Associate Supervisors: None

SCD Staff: Vicki Carter, Cori Turntine, Jeannie Jesseph, Jeff Cunningham, Ginny Weber, Ty Meyer, Lindsay Chutas

Visitors: Mike Baden, WA Conservation Commission; Steve Sprecher, NRCS; Mark Daily, Integrus Architecture

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.

Recognition of US Service Men and Women

Chair James recognized all the veterans attending the meeting and thanked them for their service.

Minutes/Treasurer's Report

Acceptance of Consent Agenda

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

- November 8, 2022, Board Agenda
- October 11, 2022, Regular Board Meeting Minutes
- October 2022 Treasurer's Report
- November 2022 Payables Report

A modification was made to the agenda. There will not be an Executive Session regarding RCW 42.30.110(1)(b) to consider the selection of a site or the acquisition of a real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price.

Motion Knopp/Miller to accept the Consent Agenda, including the November Payables Report for \$154,266.45.
Motion carried.

Shrauger verified that the financial accounts matched the bank statements.

New Business/Linkage to Community

Public Comments

Integrus Architecture designed the SCD office building. Daily presented two design awards that the building has won. He shared a quote that he believes is at the heart of why the building is so outstanding, "show me a great building, and I'll show you a great owner". He thanked the board, Vicki Carter, and staff for having the courage to step out of the box. The specialized design of the building will be studied in college architecture classes for years to come. The Spokane Chapter of the American Institute of Architects (AIA) has given our building the Sustainability Award. SCD was chosen after a review by professionals from around the state. Architects say that if a well-designed building were picked up and put anywhere else, it wouldn't fit in. That is the story of our building. It fits with the geography of the land and the conservation ideal of taking something that was damaged and turning it into something beautiful. The Washington State AIA Chapter distinguished our building with a

Civic Design Award. Our facility was competing with designs from across the state, where there was a component of public funding used in the construction. This award also considered the impact of SCD on our area and our state. Daily said this is a high honor. He said our project is probably the most rewarding one he's ever worked on.

Sprecher reviewed the NRCS board report. NRCS has hired a few new employees to assist with upcoming CRP and other program work. Sprecher stated he would provide SCD with a link to the updated NRCS Resource Inventory which is available on-line.

Governance Culture

WSCC Report

Baden gave an update on the WACD NE Area meeting held in Davenport. He said it was a great meeting and felt the group was enthusiastic and unified. The WSCC Director gave a presentation on the 2023 budget. One of the resolutions discussed at the meeting is the stock water issue. He predicts this will be a big topic at the Annual Meeting. The other resolution centered around permitting with hopes of creating a more stream-line process. The Conservation District of the Year award went to Pend Oreille. John Floyd was appointed as the new NE Area Director.

WSCC continues to look at the big picture regarding elections. Three proposed changes to conservation district elections are extending supervisor terms to four years which would mean districts would have to hold elections every other year, WSCC would run a Conservation Month campaign to promote CD elections during March and allow districts to be on the general election ballot if they prefer. WSCC is also working on creating a financial disclosure form for elected supervisors that would include information like whether they own property in the district, if they have received cost share, and business interests in the district boundaries.

Carter mentioned that James and Miller would accompany her to the WACD in Wenatchee. She said there had been some talk about removing the cap limit from Rates and Charges revenue.

The Sustainable Farms and Fields awards are available.

WSCC is reviewing its annual and long-range plan reports process and templates.

WACD NE Area Meeting Report

James added to Baden's comments regarding the NE Area Meeting. He appreciated how conservation districts are quantifying their results, showing where projects are, where they have been, and where they are going.

2023 Draft (2) Budget

Turntine reviewed the second draft of the 2023 budget. She will present the final draft for approval at the December board meeting. This version shows a lot of fine-tuning of items discussed last month. Most of the changes were made in grant funds to reflect grants that will be ending and ones that will be increasing. Total revenues projected are \$9,924,278, which is a reduction of \$1.7M from the current year. This is primarily due to the CERB funding for the Partnership Building. The Capital Expenses budget was reduced to \$125,000 for tenant improvements and operational expenses. \$60K was added to the district vehicle purchase budget because two trucks need to be replaced next year. Total expenses are currently budgeted at \$9,622,623. This leaves an increase to our fund balance of \$301,654 for 2023. Turntine will continue to work on grant funding, but because those amounts balance out, they won't impact the budget's bottom line. The last big budget item to be determined is employee salaries and benefits.

Carter shared that the district would receive a county assessment payment of \$644,000 in November, leaving \$225,000 to come in. SCD has \$265,000 in outstanding grant vouchers. The City of Spokane Valley is submitting a proposal to purchase a corner of our property for an easement. Carter said SCD should see income from that sale by the end of the year. The defaulted \$325,000 SRF loan was finally paid back. SCD will also receive a refund of \$7,314 for the bond.

SCD is out of the Havana building as of October 31, 2022! We will receive \$4,600 back from Enduris for

insurance.

Turntine reviewed a few highlights from the budget position report. October was a big SRF loan month, with over \$1.1M going out as soon as the funding was available. The RM17 Phase II Project is almost entirely wrapped up.

Director's Report

SCD is hiring some new part-time staff members. Ginny Weber was hired to assist in District operations during Cori's absence. She will also help out with the Farm and Food Symposium and Tree Sale. Beth Mort was hired to work on a resource plan for SCD. This plan is needed to apply for RCO funds and other grants. Chad Goll is a skilled mechanic with his own tools and will be on-call to help with vehicle maintenance. SCD is also looking at Chris Stewart for doing some on-call snow plowing.

SCD is shifting away from our Small Acreage Program. Some of the SRF equipment has already been surplused, but now Meyer would like to add the tractor, truck, and trailer to the list of surplused equipment. The University of Idaho is interested in this equipment and our drill, which has already been surplused. SCD is working on an inter-agency transfer for the equipment with the University. Their program will continue some of the research projects this equipment was originally purchased to do.

Motion Knopp/Shrauger to surplus 100C Farmall tractor, 1996 Freightliner truck, and 32' Fleetneck trailer at fair market value. Motion carried.

The SCD Loan Committee met to reevaluate loan rates based on current market values. Our rates are currently more than 2% below market value. Based on the Loan Committee's input, Knopp recommends raising loan interest rates from 4.5% to 5.5% on five-year notes and from 5.5% to 6.5% on seven-year notes. The proposed rate increase will still be less than other lenders while still being competitive. Carter would like to start a loan-loss reserve account in the future.

Motion Miller/Shrauger to raise interest rates by 1% on five-year and seven-year Direct Seed loans. Motion carried. Knopp abstained from the vote.

The Partnership Building is being test fitted to see if the space will work for a software company. This is a strong indication that the large side will be leased out. Carter will ask CERB for an extension on the loan repayment, allowing more room to negotiate a lease contract. She is working with the real estate representative to nail down the details.

The final survey on the drainage pond for COSV is complete. The appraised value of the 1.7 acres at 90% FMV totals \$252,614.00. Carter is waiting for the paperwork from COSV and the final legal review of the documents. The transaction will most likely close by year-end.

The Farm and Food Symposium begins tomorrow. Board members were given a copy of the book, *What Your Food Ate* authored by David Montgomery and Anne Bikle. Along with Rick Clark, they will be speakers at the Symposium.

The Supervisors are invited to the December 8 SCD Christmas Party from 3:30 to 6:00.

2023 Election Resolution

Jesseph presented the 2023 Election Resolution for approval. Randy James' position is up for election. SCD will have a mail-in election on March 14, 2023.

Motion Shrauger/Miller to approve the 2023 Election Resolution as presented. Motion carried.

Staff Reports

Turntine has 4-6 weeks before she will be out on maternity leave.

Chutas shared that the Water Resource department hired Jacob Taylor to work on VSP. They anticipate the position will become full-time after he finishes his degree. The Newman Lake work and project is going well.

Cunningham is working on a new OSS sewer hookup loan.

Jesseph is continuing to cross-train with Turntine.

Close of Meeting

Correspondence & Announcements

November 9-10, 2022, Farm and Food Symposium

December 13, 2022, SCD Board Meeting

Chair James adjourned the regular board meeting at 5:28 for Executive Session in accordance with RCW 42.30.110(1)(g) to review the performance of a public employee. The meeting was estimated to last 15 minutes. Notice was given to the public for an additional 30 minutes of the Executive Session.

The regular meeting reconvened at 6:15.

Reading of the Motions

Carter read the motions.

Motion Knopp/Miller to accept the Consent Agenda, including the November Payables Report for \$154,266.45. Motion carried.

Motion Knopp/Shrauger to surplus 100C Farmall tractor, 1996 Freightliner truck, and 32' Fleetneck trailer at fair market value. Motion carried.

Motion Miller/Shrauger to raise interest rates by 1% on five-year and seven-year Direct Seed loans. Motion carried. Knopp abstained from the vote.

Motion Shrauger/Miller to approve the 2023 Election Resolution as presented. Motion carried.

Meeting adjourned at 6:20 pm.

Respectfully submitted by Jeannie Jesseph.

Randy James, Chair

Tom Miller, Vice Chair