

SPOKANE CONSERVATION DISTRICT
4422 E 8th Ave, Spokane Valley, WA 99212
BOARD MEETING MINUTES
Tuesday, December 14, 2021

Attendees

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

Absent: None

Associate Supervisors: Chris Mahelona, Jaime Rohrbach

SCD Staff: Vicki Carter, Cori Turntine, Jeannie Jesseph, Barry Tee, Hilary Sepulveda, Seth Flanders, Ty Meyer

Guests: Steve Sprecher, Natural Resources Conservation Service (NRCS); Brian Werst, Attorney

Opening of Meeting

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

Chair Scheele called the meeting to order at 4:02 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:

- December 14, 2021, Board Agenda
- November 9, 2021, Regular Board Meeting Minutes
- November 2021 Treasurer's Report
- December 2021 Payables Report

Motion James/Knopp to accept the Consent Agenda, including the December Payables Report in the amount of \$543,901.55. Motion carried.

Shrauger verified the financial accounts balanced with the bank statements. She also verified the financials from the previous board meeting.

Chair Scheele announced an Executive Session to be added to the agenda to begin at approximately 5:00 in accordance with RCW 42.30.110 subsection (1) (iii) to talk about litigation or legal risk that the agency has discovered. Carter announced that attorney Brian Werst will be available by phone for the Executive Session.

New Business/Linkage to Community

There were no new people to introduce.

Governance Culture

Financial Oversight/Review

Turntine provided an updated budget position report that captured the November Rates and Charges deposit along with three CERB voucher payments. This report includes most of the checks paid in December except payroll. The report shows a budget excess of \$31,000.00. When the budget was created for 2021 it showed that it would decrease by \$180,000.00. Turntine is anticipating receiving more voucher payments and a VOTF payment, but 2021 is still expected to end with a small budget decrease. Overall, the SCD budget came in much better than expected. Turntine will report on the complete 2021 financials at the next board meeting.

2022 Budget Approval

Operations Manager, Cori Turntine, presented the final draft of the 2022 budget noting there were no significant changes from the budget presented last month. Additionally, Turntine provided a budget narrative to board members designed to be a reference document that outlines current programs and some potential 2022 grants. Turntine noted that Water Resources may receive \$1.1 million in new grant funds, but this funding is not secured at this time. Funding that is potential but not yet under contract is not included in the 2022 budget proposal. General operational expense budgets increased up to 6% as did payroll expenses based on the consumer price index. Turntine used a very conservative approach when creating the 2022 budget, only budgeting for those grant and program activities that are under contract.

Director Carter stated that one significant change that we may see in 2022 is to Intrinium's contribution of \$500K to the new office building. Recently Intrinium informed Vicki that they are at risk of becoming insolvent and may need to withdraw from the project. Carter has met with our attorney, CERB representatives, Commissioner Mary Kunej, Representative Volz and Tim Kestell regarding the Intrinium situation. They all recommend continuing construction on the new the building. Carter reported that we have kept their contribution in the 2022 budget, but it is likely that this budget item will need to be updated with a budget revision in 2022.

Carter is working with the contractor to modify the building plans as it will no longer be built to Intrinium specs. Carter is working with KCI on a list of items specific to Intrinium that have already been built. If Intrinium has to file a Chapter 11, SCD will be listed as a creditor and will be seeking payment.

Moving forward the plan is to build a warm shell and build out common areas. Future tenants can build out their areas. Some of the money that was going to be used for the Intrinium build out will be transferred to exterior work items outlined in the SCD Master Plan.

Intrinium is current on their lease payments for the other building on our property. Both buildings will be put on the market this week in an effort to bring in new tenants. Realtor Kestell believes there is a good market for the office space we have to offer.

Carter reported that money from the WA State Investment Pool (LGIP) will be transferred to the Spokane County Investment Pool (SCIP). Membership in the SCIP program will allow us to take a low interest loan to cover the CERB match that was originally planned to come from the Intrinium contributions. Carter continues to communicate closely with all the people involved and is confident that this will work out well in the end. Once finalized we will revise the Intrinium contribution to a loan receipt and update the values in the 2022 budget as needed.

Carter also reported that she is continuing to work with the City of Spokane Valley with them purchasing a permanent easement on the east side of the property for a storm detention pond.

Turntine concluded that the 2022 proposed budget reflects \$537,639.00 in net proceeds.

Motion James/Shrauger to accept the 2022 SCD budget as presented. Motion carried.

Director's Discussion

Carter announced that long time employee, Barry Tee, is leaving. He has taken an IT position with Lincoln County located close to his home. He will be available to help out here at SCD from time to time. Applicants are being interviewed to fill his position.

Carter has been looking into 3-D printing for conservation housing. Recycled concrete is used for building materials which we have plenty of on this property. This is one option or alternative for the 3 acres on the South portion of the property.

The WA Concrete and Aggregate Association toured our building a few weeks ago and has nominated us for an award. Carter has been sending them content to use in the presentation.

Carter is interested in developing a conference center for 200-300 people on the SCD campus. She will begin reaching out to partners to investigate the viability of this idea. Our Jerry Scheele Training Room is becoming very popular and is frequently in use.

2022 Election Resolution

Jesseph presented the 2022 Election Resolution, SCD Supervisor Candidate Statement Policy and the SCD Candidate Statement Guidelines. Our 2022 Supervisor election will be a mail-in election held on March 8, 2022.

Many people requested bio statements from our 2021 election candidates to help them decide who they want to vote for. A Supervisor Candidate Statement Policy was created for SCD elections. Information from Whatcom CD and WSCC was used to create the district candidate policy and candidate guidelines. The Candidate Statement Guidelines will be put on our webpage to direct candidates in the creation of their bio statements.

Motion James/Knopp to accept Election Resolution #EL21.12.14 as stated. Motion carried.

Motion Knopp/James to accept Election Candidate Statement Policy as presented. Motion carried.

Proposed 2022 Meeting Schedule

Motion Miller/James to accept 2022 Meeting Schedule as presented. Motion carried.

The 2022 Meeting Schedule was included in the board packets.

WACD Meeting Recap

Scheele gave a recap of the WACD annual conference. Online sessions were spread out over multiple weeks. Sessions were recorded for reference. Scheele especially appreciated the ecology of the shrub step presentation. Mike Mumford is the new president of WACD. The business meetings went smoothly until the Diversity, Equity, and Inclusion (DEI) committee proposal was brought up for approval. There was a lot of controversy surrounding this issue. One of the Supervisors used a derogatory term during this discussion. WSCC has reached out to this supervisor regarding the remark.

Report

Sprecher reported that they are having soil conservationist staffing shortages, especially in Whitman County. Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program are

both having a lot of people sign up.

Staff Reports

The Water Resources Department is working on writing/submitting a couple of WA DOE grants. Flanders is working on the Riparian Restoration and Conservation Program grant. The goal of this grant is to establish riparian zones on land that has been tagged by the DOE. This grant will pay landowners for the loss of use of their farmland for 15 years. Work and data analysis at the Newman Lake project continues. Permits for the Rivermile 17 Project II have all been approved and work will begin in the spring.

Sepulveda reported that she has met with each department to create a SCD 2022 calendar of events. Season 3 of the Rocks to Roots podcast has just concluded. Twenty-one episodes of the podcast were released in 2021. Season Four will begin in January 2022.

The annual SCD Tree Sale will begin January 31 and orders will be available for pick up on April 8 and 9. Four new varieties have been added to the sale. Over 32,000 trees have already been spoke for through contract agreements.

More than 150 new contacts have signed up for the SCD newsletter through the website. She has been working with Production Ag and is looking forward to the 2022 Farm and Food Symposium.

Jesseph is working on payroll modifications to get employees transferred from hourly to salary pay.

Meyers reported that his daughter, Maggie, held a Veterans Day Presentation and fund-raiser for her Senior Project. The event was held on Veterans Day at Red Barn Farm in Colton, WA . Activities included a fun run, raffle, and lunch.

Turntine presented three items:

Tee has been pursuing an OSS loan for the past three years without any progress on the repayment. The balance of the loan is \$2,230.39. Turntine recommends that the loan be written off to the loan loss fund.

Motion Knopp/James to forgive loan #14-05-OSS for \$2,230.39 using the loan loss fund. Motion carried.

Turntine presented a resolution to create an investment fund with the Spokane County Investment Pool (SCIP) using funds from the WA State Investment Pool (LGIP). This reason for this account was discussed in reference to having funds for the new building in the event that Intrinium is unable to make the match payment.

Motion Miller/Knopp to approve Resolution 12.14.21 – A5 to create an account with SCIP using money from the LGIP account. Motion carried.

SAO Report

An entrance conference is scheduled with the State Auditor's Office (SAO) on Friday, December 17 to begin the 2020 audit. Chair Scheele will be in attendance.

Close of Meeting

Correspondence & Announcements

January 11-12 - PNDSA Conference in Kennewick

January 11 – SCD Board Meeting

February 12-16 – NACD Annual Meeting

Executive Session

The regularly scheduled meeting recessed at 5:32. The Executive Session began at 5:33. The Executive Session was held in accordance with RCW 42.30.110 subsection (1) (iii) to talk about litigation or legal risk that the agency has discovered. It was estimated to take 30 minutes.

At 6:16 pm the regular board meeting reconvened for the reading of the motions and the close of the meeting.

No actions are required following the Executive Session.

Reading of the Motions

Jesseph read the motions.

Motion James/Knopp to accept the Consent Agenda, including the December Payables Report in the amount of \$543,901.55. Motion carried.

Motion James/Shrauger to accept the 2022 SCD budget as presented. Motion carried.

Motion James/Knopp to accept Election Resolution #EL21.12.14 as stated. Motion carried.

Motion Knopp/James to accept Election Candidate Statement Policy as presented. Motion carried.

Motion Miller/James to accept 2022 Meeting Schedule as presented. Motion carried.

Motion Knopp/James to forgive loan #14-05-OSS for \$2,230.39 using the loan loss fund. Motion carried.

Motion Miller/Knopp to approve Resolution 12.14.21 – A5 to create an account with SCIP using money from the LGIP account. Motion carried.

Meeting adjourned at 6:27 pm.

Respectfully submitted by Jeannie Jesseph

Gerald A Scheele, Chair

Randy James, Member