

SPOKANE CONSERVATION DISTRICT
210 N. Havana, Spokane, WA 99202
BOARD MEETING MINUTES
Tuesday, September 13, 2011

PRESENT

Supervisors: Gerald Scheele, Randy James, Tom Miller, and Jaki Shrauger

Absent: Mary Sullivan

SCD Staff: Jim Armstrong, Rich Baden, Vicki Carter, Eric Choker, Garth Davis, Jilla Loan, Ty Meyer, Rick Noll, and Rachel Rooks

Guests: Chad Greif, BIAS Accounting

Chair Scheele called the meeting to order at 5:30 p.m. He announced that an Executive Session was scheduled from approximately 7:00-7:30pm, in accordance with RCW 42.30.10 regarding the performance of a public employee.

PREVIOUS MEETING MINUTES

Minutes from the regular August 10, Board meeting had been previously distributed for review.

Motion SHRAUGER/MILLER to approve the August 10, 2011, Board meeting minutes as distributed. Motion carried.

TREASURER'S REPORT

Auditor Shrauger presented the Treasurer's Report for August 2011.

ACCOUNT	BEG. BALANCE	DEPOSITS	WITHDRAWALS	END BALANCE	ADJ. BALANCE
Checking	\$-150,263.88	\$807,858.05	\$559,150.75	\$98,443.42	\$250,000.00
FCAAP DRG- Acct 1090	\$21,973.74	\$0.00	\$0.00	\$21,973.74	\$21,973.74
Argonne Mit. Fund	\$92,352.06	\$0.00	\$0.00	\$92,352.06	\$92,352.06
NW Pipeline Savings Acct	\$61,224.32	\$0.00	\$0.00	\$61,224.32	\$61,224.32
Sweep Act 6800601091	\$896,141.88	\$83,279.52	\$533,883.13	\$445,538.27	\$445,538.27
Bank of Whitman MMA	\$1,590,379.21	\$718.94	\$0.00	\$1,591,098.15	\$1,591,098.15

Auditor Shrauger reported that prior to the meeting she reviewed the Treasurer's Report, which reconciled with the original bank statements. Shrauger also noted that checks were reviewed for signatures and found all to be in compliance.

Motion JAMES/MILLER to approve the August TREASURER'S REPORT CLAIMS# 30151-30235, 30237-30302 with Voids #30183-84, EFTs #1219,1256-1268,1304-1318,1350,1353-55 RECEIPTS #7201-7228 PAYROLL #2204 and September ACCOUNTS PAYABLE of \$221,802.18. Motion Carried.

NEW BUSINESS/LINKAGE TO COMMUNITY

Public Comments/Introductions

Pat Munts reminded the Board about the farm tour Dale Smith has scheduled for October 8, from 10-2 of his livestock operations in Chattaroy. The tour is open to the public and has been advertised through SCD and WSU. All staff and supervisors are encouraged to attend.

BIAS Financial Report

Chair Scheele introduced Chad Greif from BIAS Accounting, who reported on items related to the annual report and its questionnaire. He suggested that the board decide how often they would like to receive a balance of staff leave hours, which BIAS can provide. Vicki discussed some of the safeguards that she has put into place over the past year: having a Board member reconcile the bank statements with the Treasurer's Report and ensuring that checks receive a double signature, and that checks are signed by two Board members unless a situation prevents it. Vicki discussed how the district is not in compliance with the policy of paying expenses after the Board has approved them because we have expenses that come in between Board meetings, and if they are delayed we will incur finance charges and late fees. Jim Armstrong read through the RCW related to financial reporting and said that the district does meet all four requirements, such as requiring special approval for direct seed loans more than \$100,000. It was suggested to get advice from Brian Werst, the district's legal counsel.

A discussion ensued about the limited options for the district's financial placement/strategy as many banks are no longer accepting public funds and/or are not collateralizing funds. Chad explained the Texas Ratio and reviewed some of the local banks and where they stand within this qualified ratio of capital to loan loss. Chad advised that diversification may be the best option, thereby, affording the protection of the FDIC through multiple accounts. Rich discussed the pay down of the DOE loan/debt and said he would make a recommendation to the Board regarding this option at the next Board meeting. Chad reported that BIAS will be delivering the new SRF database to Ty to begin working on the test company on Friday and hopes to go live with the program in January 2012.

Upper Columbia RC&D Update

Chair Scheele said that Merrill Ott is expected to provide the council with a report on the Kulzer project at tomorrow's meeting, as he is the project officer. \$3,000 in claims for weed spraying has been vouchered to the Department of Fish and Wildlife for the CWMA project. The BPA project is moving along with upcoming meetings; he noted that all money for that project is going through the Big Bend RC&D. He announced that Gary Mitchell is retiring from NRCS on October 3, and it will be discussed on hiring Gary as an employee or consultant to continue working with the RC&D on the three current projects. Ty Meyer asked about the drill that the RC&D has stored in Turnbull that is available to rent. Chair Scheele will forward a picture of the drill and more information, including the rental agreement.

Forestry Presentation

Garth Davis gave a brief presentation about the forestry resource policy group (RPG) meeting he recently attended as we all upcoming events. The national RPG meeting was held in August in Milford, Pennsylvania. Garth represents the NACDEA on the RPG board, and they meet twice a year and have teleconferences throughout the year. He discussed upcoming events: fall planting projects (Avista shade tree, street tree, conservation futures); project with the Lyons Club at the Feryn Conservation Futures site to help fulfill their national initiative to plant thousands of trees across the country; Rockford Arbor Day will be September 24 and is their last step to becoming a Tree City USA; the PNWISA annual conference will be in Coeur d'Alene on

October 3-5; the Fall Leaf Festival is October 15 at the Finch Arboretum, a VIP pruning workshop will be held at the district on October 29, and a Community Canopy workshop is October 28.

Department of Ecology MOU

Jim suggested that we use the proposed MOU with the language regarding the state commission removed.

GOVERNANCE CULTURE

Executive Search Committee Report

Jaki Shrauger and Tom Miller met with department managers and other employees to discuss the vacancy left by Rich Baden when he retires as the Executive Director in November and the transition process. Tom said that after the meetings it was concluded that there was no need to immediately fill the position and for the district team to continue functioning as is. There will be a need for someone on staff to act as the point of contact. He also stated there is not an emergent need for an executive search and job description. Further information will be brought forth at the October Board meeting regarding what needs to be addressed within the next year including the possibility of hiring consultants for staff and workload analysis; identifying leadership needs; and the extended timeline of the transition.

Review/action on revised GC's, BCR, Schedule 22

The GC and BCR had been reviewed at the August planning session and need to be further discussed and voted on to make any changes official.

Motion MILLER/JAMES to table the discussion on the GCs and BCRs until the December board meeting.

Motion carried.

NE Area Resolution Discussion

The NE Area Meeting will be held on October 18 in Republic. At this time, Jim, Ty, Rich, Vicki, Pat and Chair Scheele will be attending. Chair Scheele recommended a resolution about the last article of the bylaws regarding the Plant Material Center and their organizational chart. Rich said that he had talked to Chris Herron about the PMC's budget and said that the new executive director for the WACD will be overseeing the PMC staff. Jim will write up a resolution and send it to the Board for approval. A second resolution for discussion may be the transfer/title of the PMC from Skagit to WACD.

BOARD/CEO RELATIONSHIP

Executive Director's Brief

Rich Baden had previously distributed a written account of his activities for the month. He attended the financial committee meeting for the DOE in Seattle where he discussed the direct seed loan program. Rich suggested that the Board send a letter appointing Ty to the WSDOE financial committee. He, Ty and Jim met with representatives from Senator Murray's office regarding the new Farm Bill and the BCAP program. He will be speaking at the NACD Southwest and Pacific Regional annual meeting in Taos, New Mexico, during the last week of September.

OPERATIONAL EXPECTATIONS

Correspondence & Announcements

- ***Motion JAMES/SHRAUGER to approve the Interdistrict Agreement for professional engineering services. Motion carried.***

- Vicki read a letter from Columbia State Bank who had recently acquired the Bank of Whitman. The letter affirmed that the district's deposits are safe and that the interest rate will stay the same for the next 18 months.
- Vicki, Rich and Ty met with representatives from the Bank of Fairfield, including Tim Bruya who had previously worked with AmericanWest Bank, to discuss the district's options. If the district decides to switch banks it will happen at the beginning of 2012, that the district will use one bank for their financial needs, and that new checks would be printed with the new name and logo.

EXECUTIVE SESSION

The regular Board meeting entered into executive session at 7:20 pm in accordance with RCW 42.30.110 regarding the performance of a public employee and was expected to last for 30 minutes. At 7:50 pm the executive session was extended by 10 minutes. Executive Session ended at 8:00 pm and the regular Board meeting reconvened.

Motion JAMES/MILLER to approve a performance-based salary modification for the Executive Director, to \$8,000 per month for the continued optimization of the transition period, effective September 1, 2011.

READING OF THE MOTIONS

Motion MILLER/SHRAUGER to approve the August 10, 2011, Board meeting minutes as corrected. Motion carried.

Motion JAMES/MILLER to approve the August TREASURER'S REPORT CLAIMS# 30151-30235, 30237-30302 with VOIDS #30183-84, EFTs #1219,1256-1268,1304-1318,1350,1353-55 RECEIPTS #7201-7228 PAYROLL #2204 and September ACCOUNTS PAYABLE of \$221,802.18. Motion Carried.

Motion MILLER/JAMES to table the discussion on the GCs and BCRs until the December board meeting. Motion carried.

Motion JAMES/SHRAUGER to approve the Interdistrict Agreement for professional engineering services. Motion carried.

Motion JAMES/MILLER to approve a performance-based salary modification for the Executive Director, to \$8,000 per month for the continued optimization of the transition period, effective September 1, 2011.

The regular Board meeting adjourned at 8:10 pm

Respectfully submitted by: Rachel Rooks

Gerald Scheele, Chair

Jaki Shrauger, Auditor