

Washington Association of Conservation Districts

WACD Plant Materials Center – Bow, WA

Remote Connection through Zoom

June 17, 2024

Board Meeting Minutes

Members Present

Mike Mumford, President (Pend Oreille CD)
Amy McKay, Vice President (Whitman CD)
Barbara Bailey, Secretary (Underwood CD)
Mark Craven, Treasurer (Snohomish CD)
Doug Rushton, National Director (Thurston CD)
Alan Chapman, Northwest Area Director (Whatcom CD)
Lisa Zaborac, Southwest Area Director (Grays Harbor CD)
John Preston, North Central Area Director (Columbia Basin CD)
John McLean, North Central Area Director (Foster Creek CD)
Cindy Reed, South Central Area Director (North Yakima CD)
Jeff Schibel, Northeast Area Director (Lincoln County CD)
John W. Floyd, Northeast Area Director (Pend Oreille CD)
Chevelle Yeckel, WADE President (Okanogan CD)

Others Present

Tom Salzer, WACD Executive Director
Heather Wendt, WACD Director of Development & Engagement
Jim Brown, WACD Director of Nursery Operations
Ryan Baye, WACD Director of Legislative & Membership Services
Lori McLaughlin, WACD Financial Accounting and HR Administrator
Al Craney, Skagit CD Associate Supervisor
Kate Delevan, WSCC Policy Director

President Mike Mumford called the meeting to order at 10:13. Ryan Baye called the roll of Officers and Directors to confirm a quorum was present. He also informed the Board that Jerry Kolke lost his election as Clark CD Supervisor and by default was no longer a SW Area Director after the Conservation Commission confirmed the election at their meeting in May.

Adopting the budget

There were two staff-requested changes to the draft agenda sent out the previous week, adding “Selection of Audit Firm” under the Adoption of the FY25 Annual Budget and reducing the Executive Session from thirty minutes to fifteen minutes. Jeff Schibel moved to approve the proposed meeting agenda, with the addition of “selection of audit firm” under adoption of the FY25 Annual Budget and reducing the length of the executive session from thirty minutes to fifteen minutes. Second by Amy McKay. Motion carried.

Public Comment Period

Associate Supervisor Al Craney spoke on behalf of Skagit CD. He expressed his district's concerns with the Plant Materials Center and changes in recent years to make it "another nursery" without its initial vision. Skagit believes PMC should be run with the broader vision of "conservation on the ground" and is seeking the reinstatement of the CD incentives and the 10% discount to regain any lost support amongst CDs. Al wanted to deal with these issues now before they become a bigger issue.

There was a discussion amongst board members on the need to respond to Skagit CD, the work of the Plant Materials Task Force, the history of the PMC Admin Committee/Sub-Committee, and how to share information so that conversations don't continue to circle. Mark Craven moved to authorize Tom Salzer to respond to Skagit CD's letter of concern and include a copy in the WACD 5 Things Newsletter. Second by Doug Rushton. Motion carried on a voice vote. Abstention by Chevelle Yeckel.

Meeting Minutes

Secretary Barbara Bailey reviewed Ryan Baye's draft minutes for the April meeting and May work session, which were then shared with the board and posted online. John Preston moved to approve the April and May meeting minutes as presented. Second by Jeff Schibel. Motion carried.

Treasurer's Report

Treasurer Mark Craven provided commentary on some of the May Financials in addition to the report prepared by Lori McLaughlin. He addressed the aged receivables amount, the percentage of spending for the year on major budget line items, and the recent performance of the Edward Jones investment account. John McLean wanted to see WACD further explore what resources as an organization it could provide to its membership and what sort of financial resources would be necessary.

Mark Craven had an idea to create a "conservation investment fund," which came from the fact that there were CDs last year who wanted to contribute more than just for their dues. He thought the fund could be used for statewide initiatives like common outreach material on technical assistance or better educating new legislators after elections. He answered questions about the scope and scale of his proposal, including ways for CDs to help expand the marketing component in the draft FY25 budget. Doug Rushton moved to explore with conservation districts the concept and support for a "conservation investment fund" proposal. Second by John McLean. Motion carried.

Mark Craven moved to accept the April and May Treasurer's Report. Second by John Preston. Motion carried. Abstention by Chevelle Yeckel. Alan Chapman asked about the status of creating an account with the Local Government Investment Pool. Tom Salzer stated there was a delay getting signatures from all the necessary WACD officers and that he has slowed the effort because the current Edward Jones money market was now delivering returns comparable to LGIP. Motion carried. Abstention by Chevelle Yeckel.

WACD Operations

Jim Brown reported that the PMC ended their season with the second biggest sales year ever but was short of the budget sales amount. He was befuddled by the declared need for conservation plants, but the nursery had to discard a lot of plants this season and the number of pre-sale orders was down. He thought that one contributing factor was the reduction in timber prices, reducing the logging operations and the need for reforestation seedlings from nurseries like the PMC.

Jim spoke to the cost of replacing the failed western pump, estimated to be \$23,000 plus labor. He described the decision necessary on whether or not to install a variable-frequency drive, which would be an additional \$15,000 but would allow the PMC to throttle the pump, which is otherwise either wide open or closed off and thus would be a water saver. They had spoken with Skagit CD, who had applied for drought mitigation cost-share funding through the Commission. There was also to be a PMC Open House on August 13; it was announced the previous week and nearly 100 people were registered.

Mark Craven moved to withdraw an amount not to exceed \$50,000 from the capital reserves for the purchase, installation, and labor to install a new pump with variable frequency drive capability. Second by Amy McKay. Motion carried. Abstention by Chevelle Yeckel.

Heather Wendt provided a recap of the Spring Legislative Workshop, with approximately 65 people from 30 CDs and partner organizations. Folks appreciated the interactive nature, despite some technical glitches on Day 2. There was fanfare for the resolution tracker, plus feedback on legislative day and how WACD could improve on the experience. There was a long discussion on the sustainable funding matrix and the options explored by Sustainable Funding Committee, with lots of interest in the Missouri model with a dedicated sales tax. Heather said the survey will be resent to all 45 CDs to ensure we hear from all the membership.

Financial Policy & Procedures Manual

Heather presented four recommended changes to the Financial Policy & Procedures Manual. Mark Craven moved to update the revised policy and procedure manual as presented to:

- i) Including the previously approved COLA policy as Appendix D
- ii) Amending the language stating that the Executive Committee reviews the budget but does not approve it.
- iii) Updating Appendix A to include the Finance Committee doing a quarterly review of Investments against the Benchmark rather than monthly, as well as a quarterly review of comparing the actual asset allocation with the limits stated in the policy. .
- iv) Stating the investment statements shall be reviewed quarterly by the Finance Committee to better align with their meeting schedule.

Second by John McLean. Motion carried. Abstention by Chevelle Yeckel.

Partner Reports

Kate Delevan announced the hire of a Conservation Commission community wildfire and forest health coordinator in Jenny Coe, and in the process to hire a riparian grant program coordinator and an Office of Farmland Preservation Director. The final workgroup of the

Governor's Riparian Work Group would be on Friday, then starting July 1 would work toward making recommendations for implementation, to be publicly released by November 1st.

Doug Rushton, speaking for NACD, shared that NRCS will be offering Conservation Planner part 2 in Sandpoint Idaho, and NACD's Next Generation Leadership Institute applications were available for new supervisors and future NACD leaders. The Pacific/SW Regional meeting of NACD will be in Alaska September 11-13, and they are looking for vendors to present.

Edward Jones Investment Presentation

Tim Price attended the meeting to speak with the WACD Board of Directors about their declared investment strategy and recent performance. He described a more conservative approach, with the goal of keeping up with inflation with a very low risk of loss. He gave additional details about the performance of their Edward Jones Investment Account. He answered questions about implementation of WACD's 60/40 asset allocation policy and previous conversations with Tom Salzer. Tom Salzer informed the board that he was looking for authorization to direct Tim to hew closer to the policy goal. Mark Craven moved to authorize Executive Director Tom Salzer to direct Edward Jones to better align WACD's investment strategy with the stated asset allocation policy goals. Second by Doug Rushton. Motion carried. Abstention by Chevelle Yeckel.

Lunch Recess from 12:18 – 12:50

Partner Reports (continued)

Chevelle Yeckel presented for WADE, having been elected as President last Wednesday at the WADE Conference. Alison Crowley at WWCCD is the new Vice President. There were 297 in-person and 100 online conference participants, Chevelle mentioned the possibility of exporting WADE strengths to other states as something being considered. And that the Envirothon trivia competition and silent auction raised approximately \$3,000. She ended her presentation by asking the board what sort of information they would like her to provide at future meetings.

Nick Vira joined the meeting and spoke on behalf of NRCS. He shared that the district staffing contract was delayed because it had to go through legal review because of the funding source and the agency has to change the dates since the contract timeline has passed. He had no update on the Farm Bill since the House Ag Committee had adopted its bill in May with the one-year extension adopted last year expiring in September. He reported that NRCS had 170 employees as of June 1st, thirty more than same time last year. He was happy to say Dave Rose is returning from his temporary assignment in Oregon to serve as Western Area Conservationist, and Christopher Clemens is the new Central Area Conservationist from Oklahoma.

Heather Wendt presented for the Washington Conservation Society, sharing that their new membership drive starts July 1. The Society was continuing their new "Creating a Legacy" program, to honor recipients and their current impact; "Leaving a Legacy" is still an ongoing commitment. She ended with a notification that the Society was hoping to put out resources for CDs around planned giving campaigns.

Committee Updates

Ryan Baye covered the recent meeting of the Livestock Committee, and their recommendation to delineate the roles of CDs and the Department of Ecology by organizing a meeting with the Commission, and later with Ecology personnel. Ryan received support from the board members and consensus to move forward with these meetings.

Ryan Baye then discussed the first meeting of the Ag Loan Work Group, hearing a presentation about the success of Spokane CD's program and discussing what other gaps exist in securing sufficient working capital funds for purchasing conservation equipment. There was a request to look into the cost barriers for major forestry equipment purchases.

Ryan Baye ended with a proposal to create a Legislative Committee, an entity to lighten the workload on reviewing resolutions and provide a dedicated group for legislative work. There were questions about how other organizations operate their legislative activities, concern over additional demands on staff, and alternative proposals to be considered before the Annual Business meeting in December.

Heather Wendt shared a white paper from the Shared Resources Work Group based on the survey done last fall, covering the capacity needs of conservation districts and how the Work Group worked to identify and address the needs. She informed the board that the Work Group was running out of energy and that it was likely time to dissolve the group.

Heather Wendt additionally provided information on the Plant Materials Task Force, their focus on reviewing the responses to districts' plant needs and their meeting next week including B'Elenna Rhodehamel from the Conservation Commission. She mentioned some of the outcomes from the Task Force, including the PMC's resource guide and the announced PMC open house in August. There was a conversation among board members about ensuring the district staff actually in charge of their plant sales received the information from the PMC, ensuring plant survivability after leaving the nursery, and the potential use of developing a user guide for PMC customers.

Executive Session

The Board of Directors held an Executive Session per RCW 42.30.110 (1)(g) from 1:53 – 2:08.

WACD Operations

Tom Salzer presented the Draft Work Plan, based off WACD's Mission, Vision, and Principles and organized around primary Plans, the necessary Activity to achieve each Plan, and the Measures to track success. There were requests from Board members to adjust the editing in future years to account for red color blindness and to incorporate metrics on necessary staff time in some format during the year. Doug Rushton moved to approve the FY25 Annual Work Plan. Second by John McLean. Motion carried. Abstention by Chevelle Yeckel.

Annual Budget

Tom Salzer briefly covered the assumptions inherent in the draft budget, and how the budget totals for the Year To Date and the budgeted amounts for FY24 compared to FY25's. He answered questions about the use of WACD's investments and WACD's current reserve

amounts. Tom reviewed how the COLA was developed and made sure to note the planned merit increase for all non-Executive Director staff. Mark Craven moved to adopt the draft budget and budget assumptions as presented. Second by John Preston. Motion carried. Jim Brown was asked about PMC staff members' thoughts on the COLA, he responded that he hadn't heard any complaints and knew that there were staff with lower salaries for whom the additional \$400 under the current distribution would make a difference.

Selection of Audit Firm

Tom Salzer detailed the one proposal submitted to WACD for their five year audit, from Clark Nuber with two options and the staff recommendation. He answered questions about contract flexibility, the length of the contract, and the necessary staff time for both options. Alan Chapman moved to authorize Executive Director Tom Salzer to sign an audit contract with Clark Nuber for "Option B". Second by John Preston. Motion carried.

Summer Operating Schedule

Ryan Baye outlined the plan to keep the Board informed of WACD activities and actions during the summer interim in the board meeting schedule by writing a monthly report and continuing to be available to board members and member-districts, with additional district visits scheduled.

President Mike Mumford adjourned the meeting at 2:45.