

WACD BOARD OF DIRECTORS QUARTERLY MEETING

September 19, 2017

Hal Holmes Community Center - 209 North Ruby Street – Ellensburg, WA

#	TIME	CONTENT	PRESENTER	Info/Action
1	9:30am	Call to Order, Welcome, Roll Call	Tom Miller	Action
2	9:35am	Approve Minutes of Board Meetings: <ul style="list-style-type: none"> • June 27, 2017 • July 13, 2017 	Larry Davis	Action
3	9:40am	Search Committee Recommendation on Executive Director Hire & Possible Board Action	Jeanette Dorner	Action
4	10:15am	Treasurer's Report: <ul style="list-style-type: none"> • FY '17 Closeout Report <ul style="list-style-type: none"> • Executive Operations Final Balance • PMC Final Balance • PMC Investment Earnings Balance • FY '18 Status Report – Executive Operations • FY '18 Status Report – PMC • Status of PMC Business Plan Development • Status of WACD/PMC Audit • Status of WSCC/WACD Annual Contract 	Larry Davis Larry Davis Jim Brown Larry Davis/Jim Brown Larry Davis/Jim Brown Larry Davis	Information
5	10:35am	Approval of FY '18 WSCC/WACD Contract for Annual WACD Conference Only	Larry Davis/Mark Clark	Action
6	10:40am	Report on 08.29.17 Joint Meeting of Finance and PMC Committees	John Baugher, PMC Chair Larry Davis, Finance Chair	Information
7	11:00am	Report from Sustainable Funding Work Group	Ryan Mello, Chair Larry Davis, Vice Chair	Information
8	11:10am	Executive Committee Report on Options Relating to Lobbyist/Consultant for WACD	Tom Miller	Information
9	11:30am	Annual Meeting Planning Committee Status Report	Larry Davis, Chair	Information
10	11:45am	Board Action on Selecting 2018 Annual Meeting Site	Tom Miller	Action
11	12:00pm	LUNCH		
12	12:30pm	Partner Reports: <ul style="list-style-type: none"> • Washington State Conservation Commission • Natural Resources Conservation Service-WA • Washington Conservation Society 	Mark Clark, Ex. Director Roylene Rides at the Door, St. Conservationist Larry Davis, President	Information

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#	TIME	CONTENT	PRESENTER	Info/Action
13	1:00pm	Area Director Reports		Information
14	1:20pm	Officer Reports <ul style="list-style-type: none"> • President • Vice President • Past President • National Director • Secretary-Treasurer 	Tom Miller Jeanette Dorner Mark Craven Doug Rushton Larry Davis	Information
15	1:30pm	Area Meeting agendas discussion		Information
16	1:50pm	ADJOURN		

Next Board Meeting:

November 27th at the Kennewick Three Rivers Convention Center
 11:15am-3:45pm
 (In conjunction with WACD Annual Meeting)

2017 Area Meeting Dates:

DATE	DAY	AREA	HOST CD	LOCATION
October 10	Tuesday	SW	Pacific	South Bend
October 12	Thursday	NW	San Juan Islands	Friday Harbor
October 17	Tuesday	NC	Adams	Ritzville
October 19	Thursday	NE	Lincoln	Davenport
October 24	Tuesday	SE	Columbia	Dayton
October 26	Thursday	SC	Eastern Klickitat	Bickleton

WASHINGTON ASSOCIATION OF CONSERVATION DISTRICTS

Board of Directors Meeting
Hal Holmes Center – Ellensburg
June 27, 2017

MOTIONS

- **MOTION:** Jeanette Dorner moved to approve the agenda as presented. Motion second by Eddie Johnson. Three suggested changes to the agenda were accepted. Agenda was approved as amended.
- **MOTION:** Larry Davis moved adoption of the minutes for the Board meetings held February 13, March 15, and April 28. Motion second by Jeanette Dorner. Motion approved.
- **MOTION:** Eddie Johnson moved that the FY '18 dues categories and assignment of districts be accepted as presented. Motion second by Jerry Hendrickson. Motion approved.
- **MOTION:** Sarah Richards moved approval of the FY '18 budget as presented. Motion second by Mark Craven. Larry Davis moved to amend the budget by adding an additional \$50.00/month (\$600.00/year) for parking at the new WACD office building. Motion second by Doug Rushton. Motion approved. The motion to approve the FY '18 budget, as amended, was approved. Eddie Johnson voted no.
- **MOTION:** Mark Craven moved to approve PMC staff bonuses for FY '17 based on current policy. Motion second by Jerry Hendrickson. Motion approved. Larry Davis voted no.
- **MOTION:** Doug Rushton moved to approve the amended travel reimbursement policy. Motion second by Sarah Richards. Motion approved. Mark Craven voted no.
- **MOTION:** Jeanette Dorner motioned to approve the amended WACD Legal Assistance Fund policy. Motion second by Jerry Hendrickson. Motion approved.
- **MOTION:** Mark Craven moved approval of the FY '18 contract with Jim Jesernig for Consultant/Government Relations services. Motion second by Jerry Hendrickson. Motion approved.

WASHINGTON ASSOCIATION OF CONSERVATION DISTRICTS

Board of Directors Meeting
Hal Holmes Center – Ellensburg
June 27, 2017

MEMBERS PRESENT

Tom Miller, President (Spokane CD)
Jeanette Dorner, Vice President (Pierce CD)
Mark Craven, Past President (Snohomish CD)
Larry Davis, Sec-Treasurer (Whatcom CD)
Doug Rushton (National Director (Thurston CD)
Eddie Johnson (NE Area Director) (Lincoln CD)
Jerry Hendrickson (SE Area Director) (Asotin CD)
John Floyd (NE Area Director) (Pend Oreille CD)
Sarah Richards (NW Area Director) (Whidbey Is. CD)
Steve Hallstrom (SW Area Director) (Grays Harbor CD)
Denise Smee (WADE President) (Clark CD Dist. Mgr.)

MEMBERS UNABLE TO ATTEND

John Preston (NC Area Director) (Grant CD)
John McLean (NC Area Director) (Foster Creek CD)
Dick Ryon (NW Area Director) (King CD)
Mark Moore (SC Area Director) (Kittitas CD)
Dave Guenther (SC Area Director) (Central Klickitat CD)

OTHERS PRESENT

John Baugher (Clark CD) (Chair, PMC Adm. Cmte.)
Jim Brown (PMC Manager)
Lori McLaughlin (WACD Bookkeeper)
Ryan Baye, (WACD Legislative & Membership Assistant)
Mark Clark (WSCC Executive Director)
Bill Eller (WSCC VSP Coordinator)
Erin Kaczmarczyk (NRCS)
Jim Jesernig (WACD Consultant/Government Relations)

President Miller called the meeting to order at 9:04am.

Opening Remarks: President Miller announced he would vote only to break a tie. He requested that the chairs of the Finance and PMC Administrative Committees find a time to meet jointly before the September Board of Directors meeting. One item for that meeting is to discuss the idea of direct PMC fiscal support to WACD Executive Operations based on a percentage of annual PMC profits rather than a flat amount.

Agenda Approval

Jeanette Dorner moved to approve the agenda as presented. Motion second by Eddie Johnson. Three suggested changes to the agenda were accepted:

- Larry Davis – Include 2018 dues as part of the FY 2017 Budget Close-Out report;
- Jerry Hendrickson – Switch Agenda Items #5 and #6; and
- Eddie Johnson – As needed, add an Executive Session to Agenda Item #18.

Agenda was approved as amended.

Approval of Minutes

Larry Davis moved adoption of the minutes for the Board meetings held February 13, March 15, and April 28. Motion second by Jeanette Dorner. Motion approved.

Executive Director Search Status Report

Jeanette Dorner, Chair of the Search Committee, provided an update: including members of the committee and thanking Ryan Baye for his support. Jeanette requested that Board members share the job announcement with potential candidates.

FY '18 District Dues Report

Larry Davis and Lori McLaughlin presented the report. Eddie Johnson moved that the FY '18 dues categories and assignment of districts be accepted as presented. Motion second by Jerry Hendrickson. Motion approved.

Larry Davis shared that the Grays Harbor and Pacific CD's overpaid their dues in FY '17 by a combined \$3,300. The Executive Committee discussed the matter and recommended reimbursement.

Budget Close Out Report for FY '17 (July 1, 2016 – June 30, 2017)

Larry Davis provided the report. The final numbers have yet to be determined, but it appears that Executive Operations savings will be approximately \$57,000 (due primarily to the resignation of the Executive Director and under-expending the travel budget.) Subject to final numbers being determined, it looks like the PMC will realize a profit of about \$200,000, including a \$90,000 return on the investment accounts.

There was discussion about whether or not the PMC investments need to comply with state investment rules. Larry Davis will follow up and bring information to the joint meeting of the Finance and PMC Administrative Committees.

PMC Report

John Baugher, Chair of the PMC Administrative Committee shared some organizational thoughts and concerns as a precursor to the PMC report by Jim Brown. (See raw meeting notes attached to these minutes.)

Jim Brown walked the Board through the PMC portion of the FY '18 budget. He reviewed the net revenue and expense information to date (the fiscal year closes on June 30th). He shared concerns relating to potential PMC budget impacts from increasing the direct support to Executive Operations by \$20,000, the proposal to not reimburse the PMC for the bookkeeper's time spent on WACD matters, the lack of a COLA for PMC staff, and need to look carefully at non-technical changes to the policy manuals

vis-à-vis the current bylaws. He commented on the employee bonus issue. There was group discussion about the Open Public Meetings act and recordkeeping as relates to the PMC. There was also discussion about voting by committees. (Raw meeting notes available upon request to Ryan Baye.)

FY '18 Proposed Budget

Larry Davis presented the proposed FY '18 budget recommended for approval by the Finance Committee and the Executive Committee. He cited the concerns by the PMC Administrative Committee about the budget including an increase in direct support of Executive Operations by \$20,000 and the lack of a 3% COLA for PMC staff.

Sarah Richards moved approval of the FY '18 budget as presented. Motion second by Mark Craven. Larry Davis moved to amend the budget by adding an additional \$50.00/month (\$600.00/year) for parking at the new WACD office building. Motion second by Doug Rushton. Motion approved. The motion to approve the FY '18 budget, as amended, was approved. Eddie Johnson voted no. (Raw meeting notes available upon request to Ryan Baye.)

Larry Davis clarified for the Board that in the absence of an Executive Director, staff compensation decisions are the purview of the President.

Discussion ensued about staff bonuses. Mark Craven moved to approve PMC staff bonuses for FY '17 based on current policy. Motion second by Jerry Hendrickson. Motion approved. Larry Davis voted no.

Travel Reimbursement Policy

Larry Davis presented this policy proposal, indicating that it was first presented at the Board meeting last November. Time constraints did not allow action. The majority of the amendments are technical. Removed as reimbursable expenses are meal tips and fees for charity golf tournaments. Doug Rushton moved to approve the amended travel reimbursement policy. Motion second by Sarah Richards. Motion approved. Mark Craven voted no.

WACD Legal Assistance Fund

Larry Davis presented the proposed amendments to the policy. It was first presented at the November 2016 Board meeting. The amendments are technical. Jeanette Dorner motioned to approve the amended WACD Legal Assistance Fund policy. Motion second by Jerry Hendrickson. Motion approved.

Conflict of Interest Form

Larry Davis noted that the annual conflict of interest form was being circulated for the Board members in attendance to sign.

Legislative Report

Jim Jesernig, WACD lobbyist, provided a status report on the 2017 legislative session, including the potential for a state government shutdown. He talked about the status of WACD priority legislation. (Raw meeting notes available upon request to Ryan Baye.)

Annual Contract for Consultant/Government Relations

Mark Craven moved approval of the FY '18 contract with Jim Jesernig for Consultant/Government Relations services. Motion second by Jerry Hendrickson. Motion approved.

Supervisor Elections Report

Bill Eller, Commission staff, presented the report on 2017 outcomes, lessons learned, and potential legislative ideas. (Raw meeting notes available upon request to Ryan Baye.)

Annual Meeting Planning Committee

Larry Davis is serving as chair of the Planning Committee for the annual meeting (in the absence of an Executive Director). He is looking for ideas from Board members for speakers, breakout sessions, etc. The theme for the conference is: Breaking New Ground. Tom Miller suggested consideration of a session on direct seed.

Partner Reports (Raw meeting notes available upon request to Ryan Baye.)

Reports were shared with the Board by:

- Mark Clark, Executive Director for the Washington State Conservation Commission (WSCC). He mentioned the August 23-24 all districts meeting and provided an update on the health status of Lynn Brown.
- Denise Smee, President, Washington Association of District Employees (WADE). The annual WADE conference earlier this month was well attended, the most ever.
- Erin Kaczmarkczyk, substituting for Acting State Conservationist Alan McBee, reported on the federal budget process, staff reductions, and the work of State Conservationist Roylene Rides-at-the-Door on temporary assignment in Washington, D.C.

Lunch recess from 12:45-1:30.

White Paper status report

Larry Davis is continuing to work on completing a paper on the history and relationship of WACD and the PMC. His self-imposed deadline has been shifted to September 1st. He has shared the paper in its current form with WACD historians for input: Wade Troutman, Lynn Brown, and Kelly Niemi. Since Larry is self-termining out of his position as Secretary-Treasurer, he now refers to the document as a 'Term Paper'.

Comparison of WACD and PMC Policy Manuals to the Bylaws

No discussion was held. Will be discussed at the joint meeting of the Finance and PMC Administrative Committees.

Area Director Reports (Raw meeting notes available upon request to Ryan Baye.)

Reports were given on activities and news by:

- Jerry Hendrickson, SE Area Director
- Eddie Johnson, NE Area Director
- John Floyd, NE Area Director
- Steve Hallstrom, SW Area Director
- Sarah Richards, NW Area Director

Meeting was adjourned at 2:08pm by President Miller.

WACD BOARD OF DIRECTORS SPECIAL MEETING

July 28, 2017

(Conference call and on-site in Olympia)

**Board Members
(in person or by phone)**

Tom Miller, President
Jeanette Dorner, Vice President
Larry Davis, Secretary-Treasurer
Mark Craven, Past President
Doug Rushton, National Director
Jerry Hendrickson, SE Area Director
John Preston, NC Area Director
Steve Hallstrom, SW Area Director
Denise Smee, WADE President

Board Members Not Present

Dick Ryon, NW Area Director
Sarah Richards, NW Area Director
John McLean, NC Area Director
John Floyd, NE Area Director
Eddie Johnson, NE Area Director
David Guenther, SC Area Director
Mark Moore, SC Area Director

OTHER PARTICIPANTS

Ryan Baye, Leg. & Membership Assistant

Tom Miller called the meeting to order at 11:30 AM. Roll Call was taken.

MOTION by Larry Davis to approve the agenda. **SECOND** by Jerry Hendrickson

MOTION by Doug Rushton to authorize the President to enter a contract with an auditing firm that would cover two years for 2015-2016 and 2016-2017 not to exceed \$12,000. **SECOND** Larry Davis.
Motion approved unanimously.

MOTION by Jeannette Dorner to adjourn the meeting. **SECOND** by Larry Davis. Motioned approved.

Meeting adjourned at 11:55 AM.

Minutes by Ryan Baye

MEETING SUMMARY

Prepared by Veda Environmental for:

WACD Finance Committee/PMC Administrative Committee

8/29/17

MEETING OBJECTIVES

Objectives of the meeting, agreed to by the chair of each committee in advance of the meeting, and by participants at the meeting, included:

1. Participants have a better understanding of the internal working structure of the PMC facility and build relationships.
2. Participants have a better understanding and weigh in on recent WACD Board decisions that impact them (establishment of Finance Committee, etc.).
3. Participants get up to speed on annual review audit and WACD investment accounts.
4. Participants have an opportunity to make policy and/or fiscal recommendations to WACD Board.

RECOMMENDATIONS

FOR WACD BOARD

1. The Board should discuss the current decision-making processes being used by the various committees and decide whether there should be one consistent decision-making approach used across all committees. ¹

FOR FINANCE COMMITTEE

1. The Finance Committee should revisit the COLA request from PMC staff that was previously rejected and potentially make a recommendation to the WACD Board.² The discussion should include *all* Association staff and should include the following topics: a) implementing annual performance reviews and accompanying salary increases and b) the concept of COLA increases. The discussion should be informed by detailed information that should be provided by PMC staff including but not limited to: specific criteria, dollar amounts requested, results from the salary survey/study previously conducted, and CPI information. (See Next Step #3) If the request for an increase is ultimately approved by the WACD Board, they should consider making the request retroactive.

NEXT STEPS

1. Both the Finance Committee and the PMC Administrative Committee will share meeting notes with each other via email.
2. The Finance Committee will review recommendations³ provided by the Larson Gross Representative Keaton Wersen regarding bookkeeping/accounting/budgeting and tax liability implications. This discussion will also include a review of how the bookkeeper's time is currently allocated between the two arms of WACD (WACD and PMC).⁴

3. PMC staff will provide members of both the Finance and PMC Administrative Committees information regarding the cost breakdown by industry for plant sales.
4. PMC staff will pull together a detailed request for COLA increase for staff that includes specific criteria, dollar amounts requested, results from the salary survey/study previously conducted, and CPI information.
5. Reserve numbers included on Attachment 11 ('Reserve Account Summary') will be updated from Nov 2015 to current.
6. PMC Director Jim and the new Executive Director should meet with CJ Seitz at the Small Business Development Center (SBDC) to discuss the development of a business plan for the PMC side of the operations so that they can provide adequate input and better understand the staffing/time commitment implications of the study.
7. Larry will send an email to all participants (plus committee members not present) requesting input on the WACD/PMC Policy Manual/WACD Articles and Bylaws Comparison Report. Request will cover areas of agreement and areas of concern.

OTHER

1. Many participants expressed strong support for the PMC and noted that it has been very successful. Jim was commended several times for his leadership and his role in its success.
2. Numerous participants expressed the opinion that they would like to see a shift in how the WACD and PMC are thought about. Some people continue to think of the WACD and the PMC as two stand-alone entities, while others feel strongly that they are a single entity, albeit with very different structures. Most participants agreed that from a structural standpoint, there should probably continue to be two separate budgets.
3. There was widespread agreement among meeting participants that long-term planning for the overall Association (WACD/PMC) is needed. Several participants agreed that it should occur in conjunction with the development of a business plan for the PMC side of the operations and would be in sync.
4. Several participants expressed confusion about the role/responsibilities of the Finance Committee versus the PMC Administrative Committee and requested that they be more clearly articulated. ⁵
5. Several participants expressed the opinion that key issues discussed during the meeting (COLA increases; business plan development; need for Long Term Planning; etc.) should be addressed in collaboration with the Executive Director, and in deference to him/her. This individual should play a key role in the discussions and resulting decision-making that occurs.
6. Several participants agreed that there should be a full audit conducted every 10 years.
7. The issue of the state budget not being passed coupled with larger uncertainties about federal funding (which supports CREP and other programs which support purchases at the PMC) was discussed. Both were identified as very challenging and are raising big uncertainties about PMC's revenue stream for the current fiscal year.
8. The issue of succession planning/leave build-up was briefly discussed, and several participants expressed the opinion that this topic should also be taken on by the new ED and addressed.

Notes

1. Some meeting participants expressed the opinion that each committee's decision-making process should be its own; others felt that the process should be consistent across committees. The discussion stemmed from a question posed by the PMC Admin Committee Chair regarding the Finance Committee's decision-making process and how it was done. A request was made that it should be more formal – e.g., a motion that is seconded and then voted on, and then documented in meeting notes.
2. Numerous participants take issue with the concept of COLA for various reasons (it's not necessarily tied to the actual CPI, etc.,)
3. Keaton shared that, from a tax perspective, it makes sense to have the budget reflect one business, and not two. He also recommended that the \$55,000 should remain as a line-item for tax purposes. A possible model to look at is the WA Association of Counties, which operates very similarly to WACD.
4. There was concern expressed regarding current practices for charging and/or accounting for the bookkeeper's time between the two arms of WACD (WACD and PMC). A suggestion was made that instead of transferring money from PMC to WACD (the current approach) there should be a conversation about changing the process. An 80/20 split might make more sense as this is the estimated percentage time split between the two arms of WACD.
5. The WACD Bylaws contain detailed information regarding the roles of the two committees.

TO: WACD Board of Directors
FROM: Ryan Baye, Legislative & Membership Assistant
Date: September 5, 2017
Subject: 2018 Annual Conference Location

Three bids were submitted to the former Executive Director and were subsequently passed on to me. His recommendation before his departure: Three Rivers Convention Center in the Tri-Cities was the clear favorite; followed by the SeaTac DoubleTree because of several flaws in their bid; with the Suncadia Resort firmly at the bottom (Director Schroeter felt Suncadia now wishes to attract families and conferences with large technology companies where costs were not a large factor, and they refused to all attempts to negotiate lower prices). I agree with his judgement, and intend to briefly summarize the three bids. I will bring each proposal to the September Board Meeting for any questions and additional review.

Hotel Rooms

Each venue was roughly equal when it came to the number of rooms available to the Association. The difference was in pricing. The three hotels surrounding Three Rivers bid at \$94 per night, with the SeaTac DoubleTree at \$129 per night, and Suncadia at \$138 once a mandatory fee of \$29 was included for concessions like parking, internet access, and access to other conference facilities (gym, swimming pool, etc.) available as complementary in the other two locales.

Event Space

The three bids sorted themselves by price with roughly equivalent quality for their venues. Three Rivers again was the most competitive option, waiving the cost for the Convention Center. Suncadia offered to waive the cost of using their facilities once we surpassed \$26,000 worth of meal purchases (very easily done as described below). The DoubleTree deducted an estimated value of our meal purchases from the value of the space we requested for a cost of \$11,000.

Meals

This is the area that clarified my recommendation. For no discernable reason, the DoubleTree chose not to submit any information regarding meals or pricing. And the pricing for the two other venues, this can be reduced to comparing how much a gallon of coffee would cost the WACD, \$30 at Three Rivers compared to \$65 with Suncadia. There are other comparisons to be made but nothing as defining as this one.

Conclusion

While I would most certainly enjoy a night in Suncadia, I cannot in good conscious recommend this venue. For the Association it is an unnecessary expense, especially at this time. The Three Rivers Convention Center is the most affordable option and is my recommended venue for the Board to select for the 2018 Annual Conference.