

WACD BOARD OF DIRECTORS QUARTERLY MEETING

September 17th, 2018

SpringHill Suites – Kennewick, WA

Time	CONTENT	Presenter	Action/Info
9:00	Call to Order, Roll Call	Tom Miller	Info
9:05	Welcome to New Area Director	Tom Miller	Info
9:10	Approving Previous Board Meeting Minutes (Page 3)	Lynn Bahrych	Action
9:15	Treasurer's Report: <ul style="list-style-type: none"> • Executive Operations • PMC • Dues Statement 	Larry Davis	Info
9:40	PMC Manager's Report	Jim Brown	Info
10:00	Finance Committee Report (Page 10) <ul style="list-style-type: none"> • \$8,000 Increase to Communications • Retirement Policy Recommendation • Allocating FY 18 Profits Recommendation 	Larry Davis	Action
10:30	10 Minute Break		
10:40	Legislative, Bylaws, District Policies Committee Report (Page 12) <ul style="list-style-type: none"> • Proposed Bylaws Changes (attached) 	Tom Miller	Action
11:00	WACD Reserves	Tom Miller	Info
11:30	Executive session per RCW 42.30.110 (g): <i>To review the performance of an employee</i>		
12:00	Lunch		
1:00	Commission Decision Packages	Mark Clark	Info
1:20	Long Term Funding Work Group (Page 14)	TBA	Action
1:45	WACD Legislative Strategy/Marketing Plan	Patricia Hickey	Info
2:15	2019 Annual Conference		Info
2:30	Partner Reports <ul style="list-style-type: none"> • Washington State Conservation Commission • Natural Resource Conservation Service • Washington Association of District Employees • Washington Conservation Society • National Association of Conservation Districts 		Info
3:00	Area Director Reports		Info
3:30	Executive Director Report <ul style="list-style-type: none"> • Communications Committee • Audit Update 	Patricia Hickey	Info
3:45	Executive Director Performance Evaluation	Tom Miller	Action
3:55	Closing Remarks	Executive Committee	Info
4:00	ADJOURN		

Additional Materials

1. 2018 WACD Dues Summary
2. 2018 Proposed Amendments to WACD Bylaws
3. “Creating a Successful Strategy” from Long Term Funding Work Group

2018 Area Meeting Dates:

DATE	DAY	AREA	HOST CD	LOCATION
October 2	Tuesday	NW	Skagit	Bow
October 11	Thursday	SW	Wahkiakum	Cathlamet
October 16	Tuesday	NC	Cascadia	Wenatchee
October 17	Wednesday	NE	Pend Oreille	Usk
October 23	Tuesday	SE	Palouse-Rock Lake	St. John
October 24	Wednesday	SC	Franklin	Pasco

Next Board Meeting

November 26th -Three Rivers Convention Center- Kennewick, WA
To be held in conjunction with WACD Annual Conference Nov. 26-28

Washington Association of Conservation Districts

Board of Directors Meeting

WACD Plant Materials Center - Bow

June 26th, 2018

- **Motion:** Eddie Johnson moves to add executive session on personnel to agenda before vote on proposed budget. Second by Jerry Hendrickson. Motion approved.
- **Motion:** Jerry Hendrickson moves to add subsection “Washington Association of Counties, Audit Update, Lobbyist Update” to the Executive Director Report agenda item. Second by John Preston. Motion approved.
- **Motion:** Javier Lopez moves to adopt February Board Meeting minutes with the following corrections:
 - Add John Preston, Lynn Bahrych, and Wendy Knopp as Members Present
 - Correct spelling of South Douglas CD on page 5
 - Correct spelling of Sarah Richards’ name on page 3
 - Correct spelling of Dave Guenther’s name on page 1Second by Jerry Hendrickson. Motion approved.
- **Motion:** Lynn Bahrych moves to write off debt of Applegate Nursery and Resource Renewal. Second by Javier Lopez. Motion approved.
- **Motion:** Javier Lopez moves to accept Treasurer’s Report. Second by Mark Craven. Motion approved.
- **Motion:** Sarah Richards moves to form Communications Policy Work Group for developing an organization communications plan and increase the Consulting Services line item by \$8,000. Second by Doug Rushton. Motion by Eddie Johnson to refer the \$8,000 increase to the Finance Committee and report back at September Board meeting. Second by John Preston. Motion to refer approved. Motion approved.
- **Motion:** Javier Lopez moves to adopt proposed budget. Second by Sarah Richards. Motion approved with the following amendments:
 - Motion to amend by Eddie Johnson to postpone voting on proposed Executive Director cost of living adjustment until performance review is presented at the September board meeting. Second by Jerry Hendrickson. Amendment approved.
 - Motion to amend by Eddie Johnson requiring a policy be developed for a WACD retirement or pension fund, and the funds in “Employee Retirement Plan” line-item not be expended until a policy is adopted. Second by Doug Rushton. Amendment approved.

- **Motion:** Jerry Hendrickson moves to adopt proposed policy on cash disbursement: Second by Mark Craven. Motion to amend by Amy McKay to include WACD President in list of persons required for consultation. Second by Jeanette Dorner. Motion by Mark Craven to call the question. Motion approved. Policy adopted:

“The Board of Directors authorizes the Executive Director, after consultation with the Finance Committee, the WACD Treasurer, and the WACD President, to approve purchases up to \$100,000 within the parameters of the approved annual budget or reserve accounts.”
- **Motion:** Javier Lopez moves to adopt proposed policy changes to excess leave. Second by Doug Rushton. Motion approved. Policy adopted:

“Employees may accumulate up to no more than 240 hours of vacation leave at the end of a calendar year. Employees are strongly encouraged to take earned paid leave during the benefit year. In the event that employees do not use all their vacation benefits by the end of the calendar year, 240 hours may be carried over to the next year. Time accrued in excess of 240 hours will be forfeited at the end of the calendar year. Upon termination of employment, employees will be paid for vacation leave that has been carried forward from the past calendar year (not to exceed 240 hours) plus all vacation leave accrued within the current calendar year.”
- **Motion:** Mark Craven moves to adopt proposed policy on past due accounts. Second by Javier Lopez. Motion to amend by Jeanette Dorner to transfer timeline in the proposed policy to an appendix, leaving on the final paragraph in the Policy Manual with additional language. Amendment approved. Policy adopted:

“Passed due accounts shall be procedurally handled under Appendix 1. The Finance Committee will meet quarterly and will review all accounts that are 90+ days past due. If the Finance Committee determines that the account is uncollectible (180 days), a recommendation to write off the balance will be presented at the next Board of Directors meeting.”
- **Motion:** Mark Craven moves to solicit feedback on Long Term Funding Work Group recommendation from the districts, work with the Commission on developing the current decision packages, and keep working on recommendation. John Preston seconds. Motion approved.
- **Motion:** Jeanette Dorner moves to authorize the WACD Executive Director to work with the Long-Term Funding Work Group, WACD lobbyist team, and the Commission to continue working on a potential legislative strategy related to the recommendations of the Work Group. Seconded by Sarah Richards. Motion approved. Javier Lopez moves to call the question. Motion approved.

Washington Association of Conservation Districts

Board of Directors Meeting
WACD Plant Materials Center- Bow
June 26th, 2018

Members Present

Tom Miller, President (Spokane CD)
Jeanette Dorner, Vice President (Pierce CD)
Lynn Bahrych, Secretary (San Juan Islands CD)
Wendy Knopp, Treasurer (Spokane CD)
Doug Rushton, National Director (Thurston CD)
Mark Craven, Past President (Snohomish CD)
Sarah Richards, Northwest Area Director (Whidbey Island CD)
John Preston, North Central Area Director (Grant County CD)
Javier Lopez, South Central Area Director (South Yakima CD)
Eddie Johnson, Northeast Area Director (Lincoln County CD)
Jerry Hendrickson, Southeast Area Director (Asotin County CD)
Amy McKay, Southeast Area Director (Whitman CD)
Chrissy Cooley, WADE President (Pierce CD)

Staff Present

Patricia Hickey, Executive Director
Jim Brown, Nursery Manager
Ryan Baye, Legislative & Membership Assistant
Lori McLaughlin, Financial Accounting & Human Resources
Administrator

Others Present

Larry Davis (Whatcom CD)
Karen Bishop (Whidbey Island CD)
Bill Blake (Skagit CD)
Jim Kropf (WSCC)
Mark Clark (WSCC)
Allen McBee (NRCS)
Al Craney (Skagit CD)
Teresa Sygitowicz (Whatcom CD)
Aiden Lopez

President Tom Miller called the meeting to order at 8:36.

Approving Agenda

Ryan Baye shared Dean Longrie was unable to attend Board Meeting and be confirmed as new Southwest Area Director, can remove that item from the agenda. Agreement to insert "Welcome to New WADE President Chrissy Cooley" in its place. Patricia Hickey shared the PMC Business plan is on hold until new Assistant Nursery Manager starts, asked to strike from agenda. **Eddie Johnson moves to add executive session on personnel to agenda before vote on proposed budget. Second by Jerry Hendrickson. Motion approved.** Lynn Bahrych asked for a new

subsection under Treasure's Report to speak on WACD Awards Committee. **Jerry Hendrickson moves to add subsection "Washington Association of Counties, Audit Update, Lobbyist Update" to the Executive Director Report agenda item. Second by John Preston. Motion approved.**

Previous Board Meeting Minutes

Javier Lopez moves to adopt February Board Meeting minutes with corrections: add John Preston, Lynn Bahrych, and Wendy Knopp as Members Present; correct spelling of South Douglas CD on page 5; correct spelling of Sarah Richards' name on page 3; correct spelling of Dave Guenther's name on page 1. Second by Jerry Hendrickson. Motion approved.

Welcome to WADE President

Chrissy Cooley shared her experience with Pierce CD and her current work. Commended WADE Conference attendees for the amazing event, asked everyone to complete conference survey even if they did not attend.

Treasurer's Report

Wendy Knopp highlighted the work done by PMC staff to lower the Aged Receivables account from \$121,000 to \$49,000 over last four weeks. Her hope is that adding option of paying via credit card will help further lower that amount. **Javier Lopez moves to accept Treasurer's Report. Second by Mark Craven. Motion approved.**

PMC Managers Report

Jim Brown shared background on two overdue accounts that should be written off, and the lesson learned for giving discount on plants suffering winterkill. **Lynn Bahrych moves to write off debt of Applegate Nursery and Resource Renewal. Second by Javier Lopez. Motion approved.** Jim Brown also shared background of new Assistant Nursery Manager John Knox, and the hiring process behind his selection.

Awards Committee

Lynn Bahrych outlined the work of the Awards Committee, the WACD special committee she chairs as Secretary and asked for those interested in serving to contact her.

Fiscal Year 2019 Budget

Patricia Hickey and Wendy Knopp answered questions on proposed Executive Operations budget for FY 2019. Patricia shared the progress on proposed Officers & Directors insurance, the proposed retirement plan, and the timeline for creating the new WACD website. **Sarah Richards moves to form Communications Policy Work Group for developing an organization communications plan and increase the Consulting Services line item by \$8,000. Second by Doug Rushton. Motion by Eddie Johnson to refer the \$8,000 increase to the Finance Committee and report back at September Board meeting. Second by John Preston. Motion to refer approved. Motion to establish Communications Policy Committee approved.**

Jim Brown and Wendy Knopp answered questions on proposed PMC budget on personnel changes, the organizational audit, and the investment account with Edward Jones.

Jeannette Dorner updated Board on progress of Executive Director performance review, and how the Executive Committee needs more time. Higher volume of returns than anticipated, will make formal presentation at September Board Meeting. Eddie Johnson asked for Executive Session to be removed from agenda.

Recess

Presentation on WACD Investment Accounts

Tim Price with Edward Jones completed an overview of the two options available to the WACD for an employee retirement account. A “Simple Plan” has no start-up or ongoing costs but can only match an employee’s contribution, has fewer options for employees, and withdrawals are subject to IRS penalties. A 401K has a start-up and ongoing fees but includes offers more flexibility for both the Association and employees.

He also shared details of the WACD investment account with the Board and answered questions on active trading, social screens, and details on his contract with WACD to manage the account.

Approving FY 2019 Budget

Javier Lopez moves to adopt proposed budget. Second by Sarah Richards. Motion to amend by Eddie Johnson to postpone voting on proposed Executive Director cost of living adjustment until performance review is presented at the September board meeting. Second by Jerry Hendrickson. Discussion on merit raises versus cost-of-living adjustments and timeline for Executive Committee report to Board on Executive Director performance Review. **Amendment adopted. Motion to amend by Eddie Johnson requiring a policy be developed for a WACD retirement or pension fund, and the funds in “Employee Retirement Plan” line-item not be expended until a policy is adopted. Second by Doug Rushton. Amendment adopted. Budget adopted.**

PMC Feasibility Discussion

Bill Blake is looking to move Skagit CD office due to rent increases and wants feedback from WACD on moving out to PMC facilities. Not sure of feasibility but wanted to start discussion. He answered questions on size of their staff and will work with Larry Davis to bring ideas to PMC and Finance Committee.

Lunch

Meeting resumes at 12:40

Policy Manual Updates

Patricia Hickey shared the work that has gone into the policy manual since the February board meeting. Worked to bring three to the Board. **Jerry Hendrickson moves to adopt proposed policy on cash disbursement: Second by Mark Craven.** Discussion of including President in policy to create a check on the Executive Director and the amount to set for the Executive Director’s purchasing authority. **Motion to amend by Amy McKay to include WACD President in list of persons required for consultation. Second by Jeanette Dorner. Motion by Mark Craven to call the question. Motion approved. Policy adopted:**

“The Board of Directors authorizes the Executive Director, after consultation with the Finance Committee, the WACD Treasurer, and the WACD President, to approve

purchases up \$100,000 within the parameters of the approved annual budget or reserve accounts.”

Tom Miller shared the challenges encountered when the policy on excess leave was put into practice and the need to adjust the policy language. **Javier Lopez moves to adopt proposed policy changes to excess leave. Second by Doug Rushton. Motion approved.** Policy adopted: “Employees may accumulate up to no more than 240 hours of vacation leave at the end of a calendar year. Employees are strongly encouraged to take earned paid leave during the benefit year. In the event that employees do not use all their vacation benefits by the end of the calendar year, 240 hours may be carried over to the next year. Time accrued in excess of 240 hours will be forfeited at the end of the calendar year. Upon termination of employment, employees will be paid for vacation leave that has been carried forward from the past calendar year (not to exceed 240 hours) plus all vacation leave accrued within the current calendar year.”

Jim Brown led discussion on past due accounts and how PMC staff handle their outstanding accounts. **Mark Craven moves to adopt proposed policy on past due accounts. Second by Javier Lopez. Motion to amend by Jeanette Dorner to transfer timeline in the proposed policy to an appendix, leaving on the final paragraph in the Policy Manual with additional language. Amendment approved.** Policy adopted:

“Passed due accounts shall be procedurally handled under Appendix 1. The Finance Committee will meet quarterly and will review all accounts that are 90+ days past due. If the Finance Committee determines that the account is uncollectible (180 days), a recommendation to write off the balance will be presented at the next Board of Directors meeting.”

NRCS Boundary Change

Allen McBee shared the reasoning behind the proposed NRCS administrative changes, and the numerous questions and concerns raised in the effected areas. Chose to keep current NRCS administrative system and keep a log of the reasons behind the current structure. Will still close office in Zillah and Longview, and re-locate Renton office when lease is up into a less expensive location closer to agricultural production activities. New Western Area District Conservationist starts at the end of the month.

NACD Regional Meeting in Kennewick

Ryan Baye and Patricia Hickey laid out work on hosting the Pacific and Southwest Regional Conferences. Walked through the schedule of events and goal of getting Western Governors Association involved at NACD Level.

Forestry MOU

Doug Rushton is working with stakeholders on updating forestry Memo of Understanding. Hopes to present at September Board Meeting for adoption.

Conservation Commission

Mark Clark and Jim Kropf expect questions around Thurston Conservation District and the current CD elections process to resurface in next legislative session. New Regional Manager Allison Halpern, Shana Joy moving to South Central region.

Natural Resource Conservation Service

Allen McBee updated the Board on the ongoing staffing capacity issues. Was able to obligate \$17 million in EQIP this year. Concerns over Farm Bill funding and relayed background of a Congressional push in February to pullback NRCS funds. One of two cultural resource specialists in the state retires at the end of the month.

Conservation Society

Larry Davis demonstrated new logo for the society and the society's work to have a "legacy member" from all 45 CDs.

National Association of Conservation Districts

Doug Rushton shared several handouts on NACD work, and the status of WACD's resolutions from the last Annual Conference.

Long Term Funding Work Group Report

Patricia Hickey and Larry Davis walked the Board through the representation of the Work Group and their work over the last year. They presented the three recommendations: raising the cap on county rates and charges funding for CDs, aggressively pursuing grants and new program funding, and committing to work towards base funding for the Commission and districts. There were questions and discussion around the Work Group not recommending pursuing a dedicated funding source, how many CDs have rates and charges, and what actions WACD should take.

Mark Craven moves to solicit feedback on Long Term Funding Work Group recommendation from the districts, work with the Commission on developing the current decision packages, and keep working on recommendation. John Preston seconds. Motion approved.

Jeanette Dorner moves to authorize the WACD Executive Director to work with the Long-Term Funding Work Group, WACD lobbyist team, and the Commission to continue working on a potential legislative strategy related to the recommendations of the Work Group. Seconded by Sarah Richards. Motion approved. Javier Lopez moves to call the question. Motion approved.

Adjourned at 3:24

MEMORANDUM

DATE: August 31, 2018
TO: WACD Board Members
FROM: Wendy Knopp, WACD Treasurer
SUBJECT: Finance Committee Recommendations

Requested Action: Three decisions are needed by the Board at the September Quarterly Meeting:

- Review and approval of recommended employee retirement policy.
- Review and approval of referred \$8,000 to WACD Communications.
- Review and approval of recommended allocation of Fiscal Year 2018 profits.

Discussion:

As directed at the June Board meeting, the Finance Committee during July and August formulated a recommended policy to offer its full-time employees as well as the referred motion of a proposed \$8,000 increase to the Association's communications.

Additionally, the Finance Committee spent time during those meeting reviewing the gains generated by the Plant Materials Center (approximately \$49,000) and WACD's investment accounts (approximately \$47,000) during the 2018 fiscal year as directed by policy. After discussion with PMC staff and in line with the reserve account policy, the Finance Committee requires action by the board to allocate the funds.

Recommendation #1 for Adoption

Retirement Plan: WACD offers a "Simple IRA" to any eligible employee. An eligible employee is one who has received \$5,000 in compensation from the employer in the preceding year or is reasonably expected to earn \$5,000 during the current plan year. WACD will contribute to the SIMPLE IRAs of eligible employees who make contributions through deferrals, a dollar-for-dollar match up to 3% of the employee's compensation. Employees wanting to contribute additional funds to their IRA should reference IRS Publication 560 to determine the maximum amount for each calendar year.

Upon employment, all employees must complete a SIMPLE IRA – Salary Reduction Agreement Form. The Salary Reduction Agreement Form will be retained by WACD. WACD will send salary contributions and dollar-for-dollar match to the financial institution on behalf of the employee when paychecks are issued. Employees may change his or her contributions throughout the year by completing the necessary paperwork one week prior to the end of the payroll period.

The SIMPLE IRA does not offer a vesting schedule, all contributions are 100 percent vested to the employee. Elective salary deferral contributions are made on a pretax basis, reducing income subject to federal taxation. Earnings on account contributions grow tax deferred until

withdrawal. Simple IRA's do not allow employee to borrow against their money. If the Simple IRA is cashed out within two years, employees are subject to a **25% penalty** in addition to federal taxes. Employees are responsible for contacting their accountant or financial representative for full tax implications.

For 2018 the maximum for a Simple IRA is \$12,500 with a \$3,000 catch-up allowed for folks over 50 years of age.

Recommendation #2 for Adoption

\$8,000 from WACD executive operations savings be allocated to communications. Larry Davis will serve as liaison between Finance and Communications Committee on how funds will be spent.

Recommendation #3 for Adoption

\$14,944.97 of the FY 18 gains be placed in the Operating Reserve Account and \$82,544.02 be placed in the Capital/Depreciation Reserve Account.

MEMORANDUM

DATE: September 2, 2018

TO: WACD Board Members

FROM: Tom Miller, WACD President

SUBJECT: Recommendations from the Legislative, Bylaws and District Policies Committee on Proposed WACD Bylaws Amendments

Ladies and Gentlemen of the jury, excuse me, I mean the Board:

The Legislative, Bylaws and District Policies (LBDP) Committee, which I chair, held a conference call on August 27th to discuss some bylaws amendments proposed by Larry Davis, Supervisor, Whatcom CD. After discussion, the amendatory package has advanced to becoming the Committee's recommendations to the Board.

As a reminder, prior to this year the process for making bylaw changes was:

- A. Recommendation from the Bylaws Committee to the Board.
- B. Recommendation from the Board to the membership at the annual conference.
- C. Action by the membership at the annual conference business meeting.

Last year, during the business meeting, there was a motion to table the entire package of proposed amendments. The motion failed. However, the point made was that the first opportunity for voting members to see the Board recommended package was the morning on the day of the business session. As a result, a new process is in place:

- A. Recommendation from the LBDP Committee to the Board.
- B. Board takes first look at proposed amendments. This is a 'temperature check' if you will.
- C. Proposed amendments are shared at the Area meetings, giving the membership an opportunity to see and comment on the ideas BEFORE the annual conference.
- D. Feedback from the Area meetings is shared with the Board at its November annual conference meeting, possibly including any amendments arising from the Area discussions.
- E. Board determines which amendments to forward to the membership for discussion and action consideration at the business meeting.

MILLER MEMO TO BOARD

September 2, 2018

Page Two (2)

The amendatory package totals 47 proposed changes. All save five are technical. The substantive amendments cover the topics listed below:

TOPIC		PROPOSAL IN BRIEF	PAGES
1	Dues	Relocate the current bylaws dues tiers and language to policy.	9-10, 32*
2	Quorum	Require that at least 50% of all districts be present at the annual business meeting for action to be taken.	12
3	Nominating Committee	Rename the committee and clarify its role.	14 & 29
4	Executive Committee	Clarify the Committee's role vis-à-vis the Executive Director's pertaining to employee matters.	23
5	PMC Committee	Replace the PMC Committee with a 3-person subcommittee of the Finance Committee.	29-31

*Page 32 is a **draft** of how the dues language in the Bylaws would appear in the Master Policy Manual.

The LBDP Committee supports substantive amendments #1-4. On substantive amendment #5, the Committee is in support on a qualified basis. It wants to hear back from the membership via the Area meetings.

On behalf of the Committee, I am encouraging the Board to approve sharing this package at the Area meetings for membership discussion and feedback. At the November Board meeting, Area feedback will be shared with the Board. Then, the Board can determine what ultimate package it will move to the business meeting agenda.

I appreciate your consideration of this request and look forward to seeing you all on September 17th in Kennewick.

WACD BOARD POLICY NO. 2018-XX
FUNDING FOR CONSERVATION DISTRICTS

BACKGROUND:

Conservation Districts statewide are experiencing increasing demands for services and programs. Current levels of state funding do not cover critical CD operations costs. The majority of districts are 100% dependent on grant funding for their existence. To help districts keep their doors open and meet service and programmatic demands, more fiscal resources are necessary.

POLICY:

The WACD Board of Directors authorizes and directs its executive staff to work with the Association lobbyists and the Washington State Conservation Commission to create a strategy for achieving long-term sustainable funding. The strategy shall include the Association membership in reminding legislators that the CDs and the Legislature share constituent communities in responding to the state's natural resource challenges.

Monitoring of this authority and directive shall be exercised by the WACD Executive Committee.