



Wasco County Soil and Water Conservation District
Board Meeting Minutes – January 4, 2023

Directors: Bill Hammel Bob Krien Stan Shephard
Phil Kaser Larry Powell Shawn Sorensen

Directors via Teleconference: Ken Bailey

Associate Directors Absent: Bryce Molesworth

Staff: Shilah Olson Jennifer Sampson Drake Gilbert
Josh Thompson Samantha Filbin Abbie Forrest

Staff via Teleconference: Ryan Bessette Karen Lamson

Guests:

NRCS: Emily Huth, District Conservationist
FSA: Lissa Biehn, County Executive Director
Wy'East RC&D: Michael Kluz, Rural Energy Specialist
SWCD: Pat Davis, Director Emeritus

Guests via Teleconference:

NRCS: Jon Ludovico, Soil Conservationist
Wy'East RC&D: Robert Wallace, Executive Director
OSU Extension: Jacob Powell, County Agent
RTO & Company: Carol Friend, CPA

1:00 PM Call to Order

Bill called the meeting to order and asked if there were any additions to the agenda. None were made.

Administer Oaths of Office to Directors Kaser, Powell, Shephard, Sorensen

Bill administered the Oath of Office to Phil, Larry, Stan, and Shawn, all of which signed the Oath of Office.

Officer Elections

Phil moved to re-elect Bill for Chairman, Bob for Vice Chairman, and Shawn for Secretary/Treasurer; Stan seconded. Motion carried unanimously.

Shilah shared that Pat Davis has served on the board and as an associate director for quite some time and thanked him for his service. The board thanked Pat and appointed him as Director Emeritus by consensus.

FY 2021-2022 Audit Presentation

Carol presented the 2021-22 Fiscal Year audit. She expressed how impressed she was with the organization of the accounting procedures and office in general. Carol reviewed two letters included with the audit documents which outline any deficiencies and any corrections that needed to be made. The only deficiency stated that Friend & Reagan prepared the financial statements instead of SWCD staff. And the only correction was the upgrade to the building's surveillance and lighting systems should have been recorded as capital outlay as they are considered fixed assets, instead of recording them under building maintenance. It was noted that the Vehicle Reserve Fund is currently classified as a Capitol Project Fund, which is incorrect according to Oregon Budget Law, and it needs to be reclassified strictly as a Reserve Fund. Carol also noted that the Building Reserve Fund needs to be closed out after the purchase of the office building as a Capitol Project Fund can only be used for a stated purpose. A new reserve fund can then be created for maintenance of the building.

Carol pointed out the Independent Auditors Report on page five of the budget packet, which states the auditor's opinion on the financial statements. A sampling of transactions is done, rather than going through every transaction, and Carol can confidently say the financial statements present an accurate picture of the district's finances. Bob asked about what happens when a mistake is found within the budget and/or accounts and if there are any consequences. The Secretary of State would be the one to identify an issue and would ask the district to submit a plan to correct the error. Carol invited the board to contact her with any questions or concerns.

Minutes: Bill asked if there were any additions or corrections to the December board meeting minutes. None were made. *Phil moved to approve the December 2022 board meeting minutes as presented; Shawn seconded. Motion carried unanimously.*

Treasurer's Report: The December 2022 Treasurers Report was tabled until the February board meeting.

Public Comment (5 Min. limit/person) – None at this time.

Action Items

a. Budget Committee Appointments – Shilah reported there are four Budget Committee appointments to make this year. Bryce Molesworth, Dave Wagenblast, and Robert Lindell have stepped down from the committee. Shilah has reached out to Jim McNamee and is waiting for him to respond. Dave had introduced Jason Lewis at the 2022 Budget Committee meeting as his tentative replacement, but Shilah has not yet confirmed if he is willing to serve on the committee. Discussion ensued on potential replacement budget committee members. The draft budget is typically sent out in April, to allow sufficient time to review before the meeting in May. Service on the District's budget committee includes one meeting per year in with meeting refreshments provided; committee members must be registered voters in Wasco County.

b. Policy Review – Updating Board Policies – Shilah reported the draft Board Duties Policy was distributed in November and presented at the December board meeting for review. The draft policy was based on a template provided by SDAO. Board consensus was to table the policy until the January meeting to allow board members more time to review it. Phil expressed concern

about whether he's complying as a board member according to the policies as written within the draft. Staff noted the draft policy can be modified as the board sees fit. The draft was tabled until the February meeting to invite further feedback from the board.

c. Cost-Share Requests – Abbie reported there were no cost share requests to present to the board as the budget has already been spent. She presented the current cost share policies as approved by the board, along with previous board policy suggestions and her proposed policy amendments. One of her proposals was to add a road grader to the reimbursement list, and to set the reimbursement rate. Discussion ensued on different funding options, such as leveraging a cost share with an OWEB small grant, Google, or another funding source. There was also discussion on the current reimbursement rates and whether the board should consider adjusting them more frequently than annually in order to match inflation. *Shawn moved to increase all cost share reimbursement rates by 10%; motion failed due to lack of a second. Shawn moved to add road graders to the reimbursement list at \$150 per hour; Phil seconded. Motion carried unanimously.* Abbie will bring a report to the February board meeting reflecting the reimbursement rates with a 10% increase. The board will also consider the proposed policy amendments at the February meeting.

d. 15Mile MUS Construction Contracting – Josh reported the board approved the materials acquisition at the December meeting. The first half of the order was received today, with some assistance from the 15Mile MUS neighbor. Josh sent out requests for proposals last week for the construction of the pilot MUS. Two contractors came to the pre-bid site tour. Josh acknowledged the District needs to receive three proposals, and that they are short on time, so he is considering the proposed construction timelines submitted by the contractors. There was discussion regarding the 15Mile MUS subcommittee and if this should be a committee matter rather than the whole board. *Ken moved to authorize staff to approve and execute the selected contract, as long as it falls within budget, and if the contract is overbudget, the 15Mile MUS subcommittee is authorized to approve it; Shawn seconded. Motion carried unanimously.*

Updates

a. Next Meeting - The next regular meeting is scheduled for February 1st, 2023, at 1:00 PM, at the USDA Service Center and via Zoom.

b. NACD Annual Meeting, New Orleans, LA, February 11-15, 2023 – Shilah reported that currently no one is attending this meeting; however, she believes staying involved with NACD is beneficial and she will continue bringing their information to the board.

c. SDAO Annual Meeting, Sunriver, OR, February 9-12, 2023 – The SDAO Annual Meeting is coming up in February. There is a virtual option for those interested or an in-person option. This conference is beneficial for best practices and risk management.

d. Mosier Groundwater: Deep Well #2 & Mosier Million #2 – Josh reported that the Mosier Deep Well #2 is closed out and complete! Regarding the Mosier Million #2 project, Josh is working on a qualified driller pool and finalizing the RFP documents with BizOregon before the project is posted. Once the proposals are received, the district can score them, and present the ranked drillers to the board to establish a qualified driller pool. Once we have a qualified driller pool, “mini-RFPs” will be sent to the drillers for bids on individual wells.

e. Tygh Valley Water Projects: Highline Ditch & Lindell Dam Removal – Josh reported that the Lindell dam is closed out and complete! The Highline Ditch wells are complete, and there's only one pump left to install. The project has had a few setbacks. There were some issues with one of the wells due to an improper seal on the casing, resulting in the well having to be abandoned at a cost of \$20,000 to have it decommissioned. A replacement well will be dug by Cascade Well Drilling. M&M Well Drilling will be reimbursing the district for the cost of the replacement well and the costs for the abandonment. The District will continue to work with Harvey-Simers on the infiltration gallery to meet the requirements.

f. 2020 White River Fire & 2022 Miller Road Fire – Josh reported there is still \$35,000 in fire recovery funds available for the Miller Road Fire. Josh is working with the Oregon State Fire Marshal on a FEMA grant which is potentially up to \$750,000 in fire recovery funding. Landowners still have time to apply for the ECP program through the end of January. Those who have approved contracts can start building the fence right away. Josh explained that typically the landowner must pay for the fencing upfront and receive reimbursement once the work is completed, however there are a few contractors who are willing to work with the landowner and delay being paid.

g. Policy Review – Personnel Handbook; Landowner Assistance – Shilah reported staff is still working on updating the personnel handbook, but it is listed on the agenda as a placeholder. The Landowner Assistance policy reflects the board's intention of helping landowners. The district has \$10,000 in the budget for landowner assistance, so this policy will provide some guidance on that funding. Shilah explained that in the past, the district has purchased seed on post-fire restoration projects and then was reimbursed by the landowners when their ECP came through. The board discussed interest rates and noted in the past, there was a 1% interest rate for bridge loans, and the interest rate should be included in the policy. There was discussion on collateral and board consensus was to determine that on a case-by-case basis, along with the best ways to deal with potential defaults and/or litigation. The board agreed that projects funded by USDA were lower risk as the district could require direct assignment of payment from the producers.

h. Operating Capacity Grant Increases & Budget Reallocations – Shilah noted that the district received an increase in our two OWEB capacity grants for district capacity and watershed council capacity. However, the SWCD capacity has already been spent down, and we will likely spend all the watershed council capacity funds, so there really aren't any extra funds. Shilah suggested taking a closer look during the budgeting process. Shilah also suggested allocating more funds towards district cost shares this fiscal year, although it may mean a supplemental budget amendment. Josh proposed purchasing a well camera so the district could do their own well inspections versus hiring a contractor. Josh reported that as M&M Well Drilling has sold their business, they do have a well camera they would be willing to sell us. This particular camera retails for \$23,000-24,000. However, M&M has offered it to the District for \$8,000. The camera is four years old and is completely refurbished. The camera can do a live feed as well as recordings, and includes a down view, side view, lights, and more. It was suggested that M&M deduct the \$8,000 from what they owe the district for the abandonment and replacement Tygh Valley well. Discussion ensued on the pros and cons of the camera purchase. *Bob moved to purchase the well camera from M&M for \$8,000, or in lieu of a portion of the money owed for the Tygh Valley well abandonment; Shawn seconded. Motion carried unanimously.*

i. **Updating Long Range Plan** – Shilah is still updating the inventory and budget numbers. Please contact her with any input.

j. **Annual Meeting & Neighborhood Meetings** – Shilah reported before COVID, the board discussed hosting the annual meeting in the spring when the weather is better but ended up hosting them online due to the COVID restrictions. Now that most of the COVID restrictions are lifted, the board discussed options for the Annual Meeting. The legal requirement is that the Annual Meeting must be held by June. Board consensus was to have the official annual meeting as part of a regularly scheduled board meeting, as has been done in recent years, and have some sort of celebration in-person when the weather is better. In previous years, the neighborhood meetings were cancelled also due to COVID. Discussion ensued on the benefits of neighborhood meetings and how to change up the format. A watershed tour was suggested and will be discussed further in the Coordinating Board meeting to follow.

Agency Reports

a. **NRCS (Conservation Plan Review/Approval)** – Emily reported she is working on scheduling their NRCS local work group meeting before March 11th. Historically, Wasco County NRCS invited a blend of producers and agency partners, but she requested feedback from the board on this format and if they had any other input. She also requested suggestions on a venue to hold the meeting. Discussion ensued.

Bob shared that he is acquainted with a lobbyist involved in the new Farm Bill and said he would be willing to pass on any suggestions that NRCS or any of our other partners have. Consensus was to have programs in the Farm Bill simplified.

b. **FSA** – Lissa reported that acreage reporting for fruit crops is due by January 15th. The Livestock LFP/ELAP deadline is at the end of January. Lissa stated that they continue to run into issues with producers not having leases and changing their entities at the last minute. ELAP is ongoing for water hauling and assisting Miller Road Fire producers whose pastures burned. The ECP signup deadline for the Miller Road fire is the end of January, so cost-share request forms need to be turned in soon. Lissa mentioned that a couple of new programs are coming soon, but she doesn't have many details yet. The Emergency Relief Program (ERP) phase 2 helps cover losses from 2020 and 2021. Lissa described phase 2 as a revenue-based program, similar to past revenue programs. The Pandemic Assistance Relief Program (PARP) is solely revenue based and will be similar to these new programs. Lauren recently accepted a position with the state office and has moved, so Lissa is still working to fill her position. The application window closed last week, but Lissa hasn't heard if there were any applicants. Lissa mentioned that she is no longer covering for the Redmond office so she will be available more often.

c. **OSU Extension** – Jacob reported they're in the busy in-person programming season before conference season begins. Farm First Aid training is scheduled for January 18th from 1:00 pm - 4:00 pm at the Columbia Gorge Community College (CGCC) and on January 20th, from 1:00 pm – 3:00 pm via Zoom. Rangeland Fire Protection training will be held on February 1st and 2nd at the CGCC. This training is for producers, employees, or anyone interested in being certified to engage and assist with the wildfires this summer. On February 7th, at 1:00 pm, OSU will host a wildfire training ensuring that OSHA requirements are met. The training will also be held on February

10th, at 1:00 pm via Zoom. The Introductory Succession Planning training with Oregon Ag Trust will be held on March 13th from 1:00 pm – 3:00 pm at the CGCC. Jacob expressed that he would like to have FSA, NRCS, and SWCD also attend the succession training as a resource for attendees. The Sherman County SWCD will be hosting their Annual Meeting in conjunction with the Oregon Wheat Growers League conference on February 8th at 4:30 pm. The Wasco Wheat Growers will be presenting. Contact Jacob for any questions or additional information.

d. Wy'East RC&D – Robert reported Wy'East recently hired two part-time staff members and two full-time staff members. In December, Robert attended the National Irrigation Show in Las Vegas where he demonstrated the electric tractors to attendees from around the world. The Klamath Falls Community College has started a Well Drilling program, as it's hard to find drillers throughout the entire region. The 2023 National Irrigation Show will be held in San Antonio, Texas, at the end of November. Wy'East currently has several irrigation projects in the works. Robert has been working with Abbie on those projects and hopes to complete them by the end of this month. On December 13th, Robert presented at the Fifteenmile Watershed Council meeting on new soil moisture probes and the new Agri-met weather station on Stan Ashbrook's property. Wy'East recently submitted a grant application to OWEB for partnership development between the Wasco SWCD and Wy'East. As of January, Wy'East took over the Energy Trust of Oregon programs. Wy'East is one of four nonprofits working on the E-Tractor/Rural Electrification project. Over the next few months, Wy'East should receive at least two new electric tractors that have been on order for about a year. The first electric truck will be delivered to Portland this week. Robert intends to test out the truck and then to rotate the truck on loan for partners to test. The next Wy'East Council meeting is on January 19th at 9:00 am. Robert announced that they are looking for new board members and to please contact him if interested in joining. The council meets quarterly.

Committee Reports

a. Audit Committee – Phil asked if the legal firm that the district uses is on a retainer. Shilah responded, no, the district contracts with them for two years at a time on an as-needed basis. Phil inquired about the charge for a new septic pump as he thought the building was not on a septic system. Josh clarified that the building uses a two-pump system as it is not gravity fed, to connect to the main sewage lines.

b. Facilities Committee – Josh reported the committee hasn't met since the last meeting. The district had a new utility sink installed to avoid cross contamination with the kitchen sink. Pat shared that he is still interested in serving on the Facilities Committee. Josh noted that committee members do not have to be board members.

c. Watershed Council Updates – To be covered in the Coordinating Board meeting to follow.

d. OAHP/SWCC – Ken reported that OAHP has not met since the last board meeting. Ken shared that the SWCC has Oregon State as the prime distributor of succession planning and the best way to preserve farmers is by preserving farmland.

District Manager Report

a. Work Plan Progress & Grant Status – Shilah reported that the work plan progress report and grant status report were distributed to the board. Thus far, everything is on track, except for the

Highline Ditch which will carry forward for another year. The Tree Sale deadline is coming up at the end of this month. Shilah noted after the audit review, she will need to make some changes to the budget document to follow the updated format prescribed by the Department of Revenue. Currently, the district has 35 open grants, for a total of \$4.9 million. The district also has four pending and two grant applications submitted.

b. Activity Reports and Schedules – No activity reports were presented however they are available for review upon request. The schedule was distributed with the agenda.

Adjourned: 3:19 PM
Jennifer Sampson

DRAFT