

**WHEELER SOIL AND WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
October 28, 2021
6:00 PM**

Meeting location: The Rock in Spray, Oregon
To join the meeting from a computer, tablet or smartphone:
<https://global.gotomeeting.com/join/849312997>
To dial in using a phone:
United States: +1 (571) 317-3122
Access Code: 849-312-997

The board meeting was called to order by Vice-Chairman Collins at 6:08 p.m. by the clock on the wall.

Directors

Wayne Lindquist
Kale Haberman
Anna Thomas
David Hunt
Jason Davis
James Collins

Assoc. Directors

Employees

Randall Williams
Cassandra Newton
Brooke Moore
Daniel Goodell

Others Present

Debbi Bunch, MJDBCWC

AGENCY REPORTS

Mid John Day – Bridge Creek Watershed Council, Debbi Bunch: Debbi stated that she has been focusing on grant applications due November 1st while attending numerous Zoom meetings. She advised that the LJDWG Step 5 comments closed on October 25th, but if the SWCD Board has any further comments that the Group would accept late comments. Debbi stated the next LJDWG meeting is November 16th.

Debbi also advised that there is another EQIP application open until November 19th.

DISTRICT STAFF REPORTS

District Manager, Randall Williams: Randy stated that his report is current.

Office Manager, Cassandra Newton: Cassi stated that her report is current.

Conservation Technician I, Brooke Moore: Brooke stated the only update she had in addition to her report is that she is working on resubmitting the spring application that had to be withdrawn due to the CREP component being removed. She also advised that she applied for her LincPass and will hopefully have it within a couple of weeks.

Brooke advised the Board that her last working day prior to maternity leave will be November 10th. She stated that she is making every attempt to complete her high priority project management tasks before her last working day. She also advised that she is meeting with Cassi to provide detailed updates on where each project is and what will need to be completed during her leave of absence.

Conservation Technician I, Daniel Goodell: Daniel stated that his report is current.

MONTHLY BUSINESS

MINUTES: The August 26, 2021 meeting minutes were presented for review. Cassi advised that there was one correction made to the last paragraph under the agenda item River Democracy Act. Director Haberman advised that the biocontrol he discussed at the end of the last meeting was actually called *Battalion Pro*.

Director Haberman **moved that September 30, 2021 meeting minutes be approved with corrections**, Director Davis seconded the motion. The **motion carried unanimously**.

BUDGET EXPENSE REPORT: The budget report dated October 21, 2021 was presented for review.

Director Davis asked why no funds were budget on Line 47 of the General Fund Expenditures but there is \$5,225.19 recorded as project monitoring expenses. Cassi advised that Line 47 was not on the approved budget and Judy added that line item to the budget after it was approved. Cassi stated that she does not know exactly what was allocated to that expenditure line item without asking Judy because she does not do the budget allocations. She further stated she included the project monitoring expense into other line items within the General Fund Expenditures budget. Cassi explained that project monitoring is the dollars received when the District completes monitoring reports and the funds are restricted to only be used for costs associated with completing those reports, so due to the uneven dollar amount allocated to Line 47, she is unsure what Judy allocated to that budget item.

Director Davis **moved that the budget report dated October 21, 2021 be approved**, Director Thomas seconded the motion. The **motion carried unanimously**.

BILLS: The check registers dated October 15, 2021 and October 28, 2021 were presented for review.

Director Davis asked what the payment to JM Works was for. Cassi advised that the running boards for the new pickup were installed, as well as a tune-up on the ATV and Tahoe. He further asked who JM Works was. Cassi stated it is John and Michael Moore, and they are the owners of the new shop located in Service Creek and Michael is a certified Chevrolet technician.

Director Haberman **moved that the bills dated October 15, 2021 and October 28, 2021 be approved**, Director Hunt seconded the motion. The **motion carried unanimously**.

OLD BUSINESS

RIVER DEMOCRACY ACT 2021: Randy advised that there is another meeting scheduled with Senator Wyden's office on Monday, November 8th at 4pm in Fossil. He stated there are a couple landowners attending and recommended any of the Board who are able to attend should.

Cassi advised that a set of short handed minutes of the last meeting is included in the packet. She stated that there was discussion about Bridge Creek and it seems that we may be able to get that segment removed from the proposal, but it does not appear we will be successful with removing all segments listed for Wheeler County. Cassi advised that an option mentioned at the meeting was to submit suggestions for specific segments, such as to reduce the buffer of a specific location of a proposed segment. She stated that the November 8th meeting is to follow up on the key questions listed at the bottom of the minutes and we hope for some maps to be provided by Senator Wyden's office. Cassi advised that the meeting is not being opened to the public due to the need for focused discussion.

Cassi further advised that the District Position Letters were mailed to over 800 Wheeler County landowners and Randy emailed a copy to the same recipients as the ODA SIA letter was shared with. She stated that the responses received are included in the board packet, as well as a number of articles regarding the River Democracy Act.

AUDITOR RECOMMENDATIONS: Cassi advised that she spoke to a representative with the LGIP and she included a page in the packet with general information she learned. She explained that the interest rate changes periodically and now that the contact information has been updated, we will be notified of any changes. She further explained that she learned the Municipal Money Market account with BEO has the same interest rate as the LGIP up to \$250,000 balance and any additional funds held in the account will receive the money market interest rate.

Cassi also explained that the LGIP has a transaction fee schedule which includes a \$0.05 fee for each transfer to another bank, known as an ACH on the fee schedule. She advised these fees are debited out of the monthly dividend payments. She further advised that there is no limit to the number of LGIP accounts or no minimum balance requirement.

Cassi reminded the Board that the origination of this discussion was a recommendation made by the auditor to move all funds in the LGIP except 2-4 weeks of operating funds to mitigate potential risk.

Vice-Chairman Collins stated he does not see a reason to change any of the District accounts setup. Cassi stated that the LGIP has a lower risk due to not having access to the funds via check writing. Vice-Chairman Collins stated he understood the District was protected by requiring two signatures on the checks. Cassi advised that if forgery were to occur, that the two signature requirement would not stop the risk. She explained that due to the small amount of staff, the District struggles to have segregation of accounting duties, which is an audit deficiency and this is just a cautionary step the District can take to help avoid that deficiency. Vice-Chairman Collins asked how much funds would be held in the checking. Cassi advised that that recommendation would need to be discussed between her and Randy, but she stated that the transferring of funds for each check run is troublesome. She advised that she received a transfer request from Judy at 1pm stating that if funds weren't transferred into the checking account by 2pm that employees would receive their paychecks a day late. Cassi stated that due to needing Treasurer approval on that funds transfer, that there was a slim chance of that transfer being completed appropriately in such a short notice; whereas, if funds were held in the checking account it would not have been an issue. Cassi stated that she believes the time spent juggling transfer requests between emailing for Treasurer approval, completing paperwork and the transfer, the District is likely spending more in wages than it is receiving in interest.

Vice-Chairman Collins asked what the recommendation is. Randy stated that he would like to better understand the correlation that Judy has built between all the financial accounts before making a recommendation. Vice-Chairman Collins asked if there was a security setup option through BEO that additional authorization must be obtained for checks over a certain dollar amount. Cassi stated that the concept behind risk is not whether or not rules are in place. Vice-Chairman Collins stated that his point isn't whether it is going to prevent the potential fraud, it is whether the District can recover the funds from the bank by placing the burden on the bank for cashing the check. Randy stated that there are approved check signers in place and we could inquire about additional security options.

Director Thomas asked Cassi if a funds transfer has to be made each time a check is issued. Cassi advised that the running balances on the checking accounts is approximately \$1,000 and all other funds within BEO are kept in the money market account. Vice-Chairman Collins asked if an automatic transfer could be set up. Cassi advised that the check run totals vary, so that could not work. Director Thomas asked if the same situation would occur with having all the funds held in the LGIP. Cassi stated that auditor's recommendation was hold all District funds in the LGIP and keep approximately a month's worth of operating funds in BEO. Vice-Chairman Collins asked if it was known what that amount is. Cassi advised that depending on project expenditures it varies from approximately \$30,000 to over \$100,000. Cassi stated that if \$100,000 was kept in the money market account, it would still require a transfers to occur regularly into the checking accounts.

Cassi suggested that the District have individual LGIP accounts for the District, Weed Board, and Watershed; then, a single checking account with BEO that has a balance available for check writing equivalent to approximately one month's expenditures. Randy stated that is how he has done financial account setups at his prior districts.

Debbi asked if the direct deposits for revenue could go into the LGIP. Cassi stated that any revenue that is available to be direct deposited could go into the LGIP and it would just need to be set up with the funder; however, any checks received would need to be deposited with BEO.

Vice-Chairman asked if a motion was needed with this decision. Cassi suggested that the Board waits until Randy drafts the recommendation so the Board can see the entire decision laid out.

FUEL TANK UPDATE: Randy advised that Director Lindquist assisted with researching for fuel tank availability and he has a neighbor with a used fuel tank that the District could potentially purchase. Director Lindquist stated that it is his understanding from his research that the District would not need a containment if the tank is under 6,000 gallons. Randy stated that the requirement to have containment would not be difficult, but there is a federal requirement, a CFR, that prevents the use of gravity fed system to fuel vehicles. Randy stated the fuel tank has to be 25 feet from any building and he is unsure of how the wiring would need to be ran to install an electric pump system. Director Lindquist asked if the fuel tank belonged to Judy, if the District would be free of that regulation. Randy stated he did not know how that would work. Cassi advised that it may not work that way for the District to utilize the tank due to insurance.

Randy advised that he has not received a response from Judy regarding the office lease proposal, which included request for permission to place a fuel tank at the office.

VACCINATION MANDATE: Randy stated that there has been no further information released from OSHA or SDAO. The Board tabled this topic again until further information is released pertaining to the mandate.

OFFICE LEASE: Randy advised that he has not received any response from Judy regarding the office lease.

The Board tabled further discussion again until a response from Judy has been received.

DISTRICT FINANCIAL MANAGEMENT: Randy stated that he drafted a letter which Chairman Holmes approved prior to sending it to Judy. He advised a copy of that letter is included in the packet. Cassi reminded the Board that it was agreed to use Solutions CPA in John Day since Randy and her had already consulted with them. She advised that she reached back out to Solutions CPA to initiate communication about a contract but they advised they are short staffed and unable to take on new clients. Cassi stated she sent out an RFP to 15-20 firms within four hours travel time from the office but received no responses. She advised that Randy and her have since contacted three firms via telephone and are awaiting their feedback.

Director Lindquist asked why the District is contracting with a CPA firm. Cassi stated it is for third party objective review of reconciliations and best practice recommendations. She advised it would consist of approximately 2-5 hours monthly. Randy explained that his prior district contracted with a CPA firm and many government entities utilize CPA firms for their high level of expertise and to obtain another review of financial management. He further explained that the goal for the District is to contract with a firm for assistance through the transition process, then on a long-term basis for objective reviews. Randy stated that contracting with a CPA firm is not something that is a requirement but it is something the District and Board should consider as a quality assurance and balance.

Cassi stated that Randy nor her are aware of an electronic backup of the District's financial data. She advised that they have requested information from Judy regarding available electronic files but it is a possibility that setting up the District's financial system will require manual data entry of multiple years of data, if electronic files were not backed up from Judy's system. Cassi stated that one of the intentions for contracting with a firm is to receive assistance with the time consumption of setting up the financial system and data entry.

Vice-Chairman Collins asked if that was the only hold up in the transition schedule. Cassi stated that she is working on retaining a CPA firm and waiting on Judy to be available for an in-person meeting to develop a transition schedule.

ANNUAL MEETING: Randy stated that Jama Hamil with Bureau of Reclamation will be speaking on AgriMet Weather Stations and will be presenting to the Board and pertinent partners from 1pm-3pm prior to the Annual Meeting. He advised that NRCS staff will all be in a training that day and are unavailable to speak on the topic on drought, so he is still working on locating an appropriate speaker.

Cassi stated that a draft of Resolution 2021-002 Establishing an Annual Meeting is included in the packet. She apologized that the third “*WHEREAS*” needed to be removed since that was regarding COVID restrictions included in the last resolution. She advised that Resolution 2021-002 may be approved with that correction through a motion.

Director Davis **moved to approve Resolution 2021-002 Establishing an Annual Meeting with correction**, Director Thomas seconded the motion. The **motion carried unanimously**.

NEW BUSINESS

NOVEMBER MEETING: Cassi stated that the staff recommends moving the November meeting up one week to November 18th due to Thanksgiving being the week of the regularly scheduled meeting.

Director Davis **moved to have the November board meeting on the 18th due to the Thanksgiving holiday falling on the last Thursday of the month**, Director Thomas seconded the motion. The **motion carried unanimously**.

BOUNDARY SIGNS: Randy advised that Gilliam SWCD has entertained the idea of boundary signs that say “Welcome to *so and so* SWCD Service Area” being placed on major highways and a similar idea has been introduced for watersheds. He stated the idea is to partner with as many districts and watersheds as possible to reduce the overall cost for the signs. Randy advised that there would be approximately five signs for Wheeler SWCD and asked if the Board was interested in having boundary signs installed. The Board agreed they were interested in partnering with neighboring agencies to acquire boundary signage.

OTHER BUSINESS NOT LISTED

LANDOWNER FOLLOWUPS: Randy stated that he prepared a draft of a Landowner Follow-up Policy and provided it before the meeting. He explained the questionnaire included in the policy draft. Cassi apologized that she did not get a chance to review the policy and questionnaire prior to Randy presenting it to the Board. She suggested that there be two different questionnaires since the District management is supposed to conduct the first follow-up and District staff is supposed to conduct the second follow-up. She explained that some of the questions on the drafted questionnaire will not be relevant to the second follow-up and there should be questions pertaining to the quality and maintenance post-implementation on the questionnaire for the second follow-up. Randy stated that the policy was not intended to cover the second follow-up. Cassi suggested that both follow-ups should be covered in the Landowner Follow-up Policy instead of having two separate policies.

Randy advised that he will revise the policy draft and present it to be adopted at the November meeting.

NEXT MEETING DATE: The next regular meeting will be held on **November 18, 2021**.

ADJOURNMENT: There being no further business, the meeting was adjourned by Vice-Chairman Collins at 7:59 p.m.

Respectfully submitted by Cassandra Newton


James Collins, Vice- Chairman


Randall Williams, District Manager