



Okanogan Conservation District

1251 S. Second Ave, Room 102

Okanogan, WA 98840

TO: The Record
SUBJECT: November 3, 2020 Board of Supervisors Meeting
LOCATION: Teleconference – (509) 422-0855, ext. 7
FROM: Jess McDaniel, Administrative Assistant

PRESENT:

Ivan Oberg, District Chair – Present	Becky Drenner, Finance Director – Present
Jerry Asmussen, Vice Chair – Phone	Jess McDaniel, Administrative Assistant – Phone
Albert Roberts, District Auditor – Present	Ben Carroll, Range Planner – Phone
Lorah Super, Member – Phone	Hannah Coe, Conservation Planner – Phone
Steve Colvin, Member – Phone	Sarah Troutman, NRCS – Phone
Gerri Oberg, Associate Supervisor – Present	Mike Baden, WSCC – Phone
Craig Nelson, Executive Director – Phone	Rachel McClure, Congressman Newhouse – Phone

Meeting Call to Order: Ivan Oberg called the meeting to order at 6:00 PM. Ivan completed a roll call of Supervisors, Associate Supervisors, staff, partners, and the public.

Agenda Approval: Lorah Super moved to approve the agenda as amended. Albert Roberts seconded the motion and the motion passed unanimously.

Approval of Minutes: Albert Roberts moved to approve the October 6, 2020 board meeting minutes as presented. Lorah Super seconded the motion and the motion passed unanimously.

Treasurer’s Report #810, which covers the checking account activity from October 7, 2020 to November 3, 2020, inclusive was presented for the Board’s approval. The following checks/payroll direct withdrawals/electronic payments were approved for payment:

Checks – numbers 11672 – 11683 totaling \$49,223.80.

Payroll direct withdrawal - numbers ACH3866– ACH3885 totaling \$28,413.84.

Electronic payments - numbers EFT2778 – EFT2788 totaling \$20,365.85.

Deposits totaling \$39,915.59 were made.

Albert Roberts moved to approve Treasurer’s Report #810. Lorah Super seconded the motion and the motion passed unanimously.

Supervisor Reports:

Steve Colvin – Steve reported that harvest is over and that all the wine is in barrels and fermenting. He added that dormant spray went on today and things are looking good. Steve reported that other than two days with a low of 15 degrees, things are looking good and there is water in ground.

Lorah Super – Lorah reported that she was going to spend election day moving manure, which she added was ironically appropriate for the day. She spent a good portion of the day doing that until she looked up and saw her horses were running where they should not have been, having broken a gate and were taking a freedom run. She reported it took until nearly dark to fix the fence but will appropriately continue moving manure tomorrow.

Lorah also informed that she and Craig were working with Mary McCrea and Representative Goehner on a new piece of legislation to prevent out of basin water transfers and allow for the creation of water banks within conservation districts.

She went on to say that the Forest Health Collaborative has some new activity. The Mission lawsuit is going to be heard in court on November 10 at the Spokane District Court with oral arguments beginning at 9:00 AM. She added that there is a teleconference line available and if anyone would like to listen in on the proceedings to reach out to her for more information. Lorah went on to say that the Twisp River Project has an environmental assessment out for public comment, which has been extended until the end of November. She ended her report by saying there is a quarterly meeting tomorrow where there will be a presentation by a group in the Methow, who are starting a biochar project, with a demonstration this winter.

Albert Roberts – Albert reported that haying is done but he has not slowed down. He is trying to get fencing done, equipment taken care of, and finishing up his house.

Ivan Oberg – Ivan did not give a report.

Jerry Asmussen – Jerry reported that there was a little snow in the hills, about 7 inches.

Associate Supervisor Reports:

No associate supervisors gave a report.

Staff Report:

Craig reported that the watershed plan was approved by county commissioners and has been sent off to Ecology for approval. One of the biggest concerns was that there were a lot more projects identified for water offset for projected growth than there is anticipated demand. Many members of the planning unit were concerned that more water would be put in trust for domestic growth than is really needed at this time and would be subsequently unavailable for growth beyond the current planning timeline which is until 2038. The planning unit is extremely interested in have a locally managed water bank that could be used to assist local water right holders and those seeking water rights temporarily or permanently a place to seek assistance. That will likely be a topic of discussion in the next few months. Craig added that the initiating governments will be discussing how to proceed with the maintenance of a planning unit in the future; that is whether they will keep the group that developed the plan or create a smaller group, going forward.

Craig informed that he and Lorah had a meeting with Mary McCrea, Jon Culp, and Ron Schultz regarding out of basin water transfers and water banking. Representative Goehner has put together, and is likely to propose, a bill during the upcoming legislative session in January, which would put a moratorium on transfers and selling of water rights out of basin for most

purposes until such time that a local water bank is set up. The intent is that the local water bank would have the first right of refusal in acquiring the water at whatever the going rate is at the time. Craig added that during the meeting it was suggested that conservation districts could potentially be a good fit as a local public entity to administer water banks. Craig confirmed he and Lorah would discuss it with the board at tonight's meeting. If districts show interest in this idea, it may lead to a potential resolution that reinforces the idea of local water banks having access to funding to purchase and acquire water rights for local water use within the basin of origin. Funding for such an undertaking was questioned, and Ron Schultz suggested the creation of a sort of funding pool that would work similar to the current Irrigation Efficiencies Program. The Commission would distribute technical assistance and outreach funds to participating districts. Districts would develop contracts for water banking then the Commission would transfer the necessary funds to implement those contracts to the District upon contract approval. Lorah added that, while restricting the sale of water rights out of basin would be a positive outcome, it is important not to tie the hands of people who want to sell their water rights within the basin. There is a provision to allow water to move around a given watershed in order to preserve agriculture and possibly re-water some parcels within the basin. During the discussion, Representative Goehner added that he had talked with a Wall Street-backed attorney who has shown interest in purchasing water rights all over the state of Washington, which would put those water rights in the hands of a private entity who could sell them off at their discretion.

Jerry asked about the funding from a district finance point of view, asking if the District could afford to handle the legal contracting and such that would come along with a water banking undertaking. Craig informed that the funding would be provided by the legislature to help districts initiate water banking projects, including legal fees associated with the development of contracts and agreements, as well as the verification of water rights ownership. Craig concluded by saying that the hope is that, in the long run, the water bank would pay for itself.

Jerry also asked about the longevity of available funding. Craig answered by reiterating what Ron Schultz had suggested, which is that it would be important for the funding to come from the capital budget this year, allowing all affected areas to have a clear delineation of legal arrangements and relationships within the year, so there would be a pot of money available when someone is ready to buy water rights. The idea is to build demand for such undertakings so the legislature sees the benefits and will continue to fund the operation.

Lorah stated that her goal was really to inform the board and get a sense of how comfortable the District was with taking on the responsibility of running a water bank. Craig added that if districts are comfortable with the idea, then a floor resolution could be presented at the WACD annual meeting, which would give the Commission a role in the possible next step.

Albert asked how the legislature would provide the funding to pay for the overall administration associated with running a water bank. Craig stated that he thought it would be modeled after the Irrigation Efficiencies program, where districts are given a set amount of money to undertake a given project each year.

Jerry asked about the condition of the state budget considering the cuts that have been requested due to the current effects of the pandemic. Craig answered by saying that Ron informed them

that the state budget was looking more favorable than originally anticipated and, because this is such a hot button topic, there is a high likelihood that it will be funded. Jerry expressed concerns about jeopardizing other funding streams, but Craig reiterated the importance of prioritizing the District's projects so as to avoid jeopardizing funding for projects with a greater potential for benefit to agricultural and natural resource conservation.

Ivan added that, when visiting conservation districts across the country, he has seen several districts that are far more involved in the administration of water rights. For instance, in Nebraska, it is the districts who inform the producers when they can run their water pumps and when they cannot. He concluded by stating that conservation district involvement with water rights transfers and banking is far more extensive in other places nationwide. Craig added that, if the District does decide to involve itself in water banking, it would certainly look to other states where districts have successfully managed water rights for their input and advice so as to prevent a reinvention of the wheel, so to speak.

Albert asked about potential public perception of the District locally if it were to get involved in managing a water bank. Craig agreed that it is important to consider whether the undertaking is in the best interest of local producers and landowners and whether it provides a service to agriculture and natural resource protection and conservation. Craig stated that the watershed planning unit agreed that there was a need for a locally run water bank. He added that there is some risk involved in taking on the responsibility of administering a water bank, but if we ensure that due diligence is taken from the start, the benefits could outweigh the risks. Lorah added that she appreciates that producers trust and value the District's role, especially when producers do not necessarily want to involve the Department of Ecology or the County in their natural resource management practices. So, to her, this seemed like a more appropriate place to begin the discussion of administration of the water bank, adding that the District would have the opportunity to explore local relationships with other entities that might be helpful in this enterprise, as well as the potential for adding long term partnerships. Jerry added that safeguarding our current relationships and reputation is paramount to ensure that the District can continue to do the work that it does for landowners and producers across the county.

Ivan asked how many County Commissioners might be working on this idea. Craig said he would broach the subject with them in the near future. Lorah added that commissioners generally do not like to see water rights leaving the basin of origin, but they do believe in the private property right to sell so that water, which is where the water bank piece would become key. However, whether the county wants to be involved in the business of water banking is yet to be determined. Jerry added that the county has looked at the idea in the past but has waited to see how it might work.

Lorah added that Paul Jewell, a Kittitas County Commissioner, presented a scenario where he had seen private entities come in and create private water banks, mostly for land development. The price of water skyrocketed, with water being sold like crazy. He added that the increased cost of water changed the demographic of the area substantially. Lorah concluded by saying that Paul strongly encouraged a local entity get involved in the water banking administration to create a more equitable marketplace for local producers and landowners. Ivan asked if the District would have legal help from the Department of Ecology or the Commission. Lorah replied that

both would provide support. Craig added that the District would certainly have to obtain the services of a water rights attorney, the funding for which would be provided by the state.

Lorah Super moved to authorize Craig to produce a floor resolution for the WACD annual meeting in support of a Commission role in a potential pilot project to limit out of basin water transfers, allow for the sale of water rights within the basin of origin, and the creation of water banks to be administered by local conservation districts. Albert Roberts seconded the motion and the motion passed unanimously.

Becky reported it has been a good month, stating the draft 2021 budget is ready for review and that it was a good process to go through. She went on to say that a tentative election date has been set for March 23, 2021 and will be approved at the December board meeting. The district may hold a drive thru election, due to COVID-19.

Hannah added that staff have been working on the Ecology NPS planting beginning the end of last week and through this week and that she finished getting some willows in at the Strong property today.

Ben said the past month was mostly spent going out and looking at fire affected properties, trying to quantify infrastructure loss. He took part in a lot of site visits, met a lot of local producers, and saw more of the area. He informed that there is a pretty significant spreadsheet quantifying loss, which will allow the District to adequately inform funding agencies of the losses experienced and the needs that have come up.

Review, Approve and Sign Contracts and Conservation Plans

Ecology BMPs – Timber Barriers Project – LOA Review – Ben presented details on the scope and timeline of the Ecology BMPs – Timber Barrier Project. He informed that the projects are designed to assess the effectiveness of jackstraw timber barriers to exclude cattle from sensitive riparian areas. The question this project is looking to answer is whether a timber barrier structure built at a smaller scale will be effective in deterring cattle from riparian areas. The hope is that this could lead to another strategy for protecting smaller riparian areas in wildland range areas, offering a more natural solution to fencing a small, relatively inaccessible, riparian area. In conjunction with installing the timber barriers, the District will also be planting riparian shrubs at each of the project sites and will develop a Quality Assurance Plan with Ecology that will outline and guide rigorous monitoring efforts at implementation sites.

Ben presented the draft Landowner Agreements. The participants are Barbara Greene on Pine Creek and Larry and Elizabeth Convis on Sourdough Creek. Ben added that a LOA for Kirsten Cook is still in development as she pursues bids for felling burnt trees near the project site, which will be the initial framework for installing the timber barrier in the Spring of 2021. Her spring is still running strong and vegetation is already coming up, and Ben stated it may be even more favorable for cattle in the future.

For the Greene and Convis properties, the District is proposing cost-share agreements to install a pumping plant and water trough for cattle. For the Greene property the total project cost is estimated to be \$15,845.42 with 75% reimbursement, not to exceed \$11,884.06. For the Convis

property, the total project cost is estimated to be \$2,584.35 with 75% reimbursement, not to exceed \$1,938.26. Additional, for the Convis site, a cost-share agreement will be drafted with a local producer to install and maintain a pumping plant and trough on the property to help protect the water bodies on those sites. The estimated total cost for the water development is \$10,079.30 with 75% reimbursement, not to exceed \$7,559.48. Implementation for both projects is currently planned for the Spring and Summer of 2021.

Ivan questioned whether there was a provisional approach, if the timber barriers failed, to keep cows out of the exclusion area by perhaps building a rail fence where cows were breaking through. Ben reassured the board that the landowner agreements had a proviso that, if the timber barriers failed, the landowner would still get a protected area by means of either a barbwire fence or a rail fence.

Jerry added that he has attempted a lot of these types of exclusions and cows routinely get through. He added that the burnt lumber on the Cook property would be more suitable because the wood has been burnt, but the logs that can be placed by hand are likely to be insufficient. Jerry also suggested that keeping organic matter off the ground would help prevent rot. He also expressed concerns that cows will rub on solar panels. Ben added that there is money in the budget to protect the panels and that monitoring will occur about 3 times a year with the provision for adaptive management. The project from this grant is funded for 3 years, so the idea is to determine how much labor is involved in the maintenance of these types of exclusions and whether they are a feasible option for future projects. Jerry added that the Convis site would be tested the most because those cattle know how to go get through even barbwire fencing. Both Jerry and Ivan offered to allow Ben to look at their solar panels. Ben said he would reach out to each of them in order to get more solid specs for design and cost projecting.

Ecology Benson Riparian Restoration Projects – Keeling & Webster Properties – Hannah informed the Board that the riparian restoration projects are planned on the Keeling property, which is within the Benson Creek watershed, and the Webster property, which is in the Chiliwist Creek watershed. The purpose of these projects is to address and restore the loss of riparian vegetation due to wildfire as well as to reduce sediment delivery through the watersheds

The Keeling property experienced flooding from Wenner Lakes following the Carlton Complex fire; this deposited sediment and negatively impacted the riparian area. When the Wenner Lakes dams were rebuilt, the disturbance that resulted from construction activities has caused a weed infestation south of the lake. This project will include weed control and re-seeding of the area, as well as approximately 1 acre of riparian planting at the southern end of the property.

The Webster property along Chiliwist Creek also experienced post-fire flooding and extreme sediment deposition following the Carlton Complex fire, creating eroding banks and an infestation of reed canary grass. Approximately 0.5 acres will be planted and will occur in two phases: 1) In Spring 2021, the District will be staking willows along the banks and engaging in reed canary grass suppression using weed control fabric. 2) In the Fall 2021, the District will conduct additional staking as well as installing potted plants in the areas where grass suppression occurred through the summer.

Jerry was especially curious about the reed canary grass suppression and wanted to reiterate the importance of killing it in the fall, warning that it would surely come back next year if it was not killed off adequately this year. Ivan wondered about the deer population and stated that if there are deer there, they will eat the newly planted plants. Hannah stated that there is provision in the budget for deer protection.

NRCS Report

Sarah Troutman reported that NRCS is taking applications for EQIP right now to include fire recovery but that the deadline is November 20, which includes eligibility. NRCS staff have been trying to communicate better and make sure all applicants understand eligibility requirements better than last year. Cover crop projects have been moving forward, with work accomplished on the Townsend property.

Sarah added that all NRCS offices are in phase 3 of the reopening plan, meaning that doors are locked, and customers may enter by appointment only. There are concerns nationwide that offices will have to go back to phase 2. For instance, in the Midwest offices, NRCS staff have experienced outbreaks in entire offices and in other offices there are employees who are refusing to wear masks.

Sarah added that, while Craig likely knows more about the subject, Emergency Watershed Protection evaluations have been conducted and all fire areas have been assessed and the area affected by the Cold Springs fire were determined to be ineligible. She is anxious to read the reports.

Sarah concluded by informing that Stan's last day was October 16, and though he is on leave right now, he is officially the District Conservationist in Colville.

Partner Reports

Rachel McClure said she is getting used to the new job as the Douglas and Okanogan County District Representative case worker for Congressman Newhouse. Lorah asked if Rachel would be interacting with the Forest Health Collaborative, as Nicole had previously done, and Rachel confirmed she would be attending tomorrow's meeting.

Mike Baden reported that the Commission does not know a lot regarding the budget except that it is looking a little better than originally projected. He added that the December meeting agenda includes a discussion regarding the allocation of additional implementation grant funds because the Commission was only able to allocate money for the first 6 months of the granting period. Mike also commented on upcoming elections procedures, with several districts looking at mail in options. Some districts are looking at polling stations with proper COVID-19 precautions in place. He cautioned the District to consider the possibility of COVID-19 restrictions becoming stiffer in coming months and to be prepared to choose a polling site wisely, so not to be kicked out. Mike offered continued assistance and encouraged the District to look at the resources available regarding the election process. He added that there is another all district election meeting Saturday, November 21, as a follow up to the September meeting. The meeting will

include topics such as various election options and will seek input from districts regarding the future of district elections. The Commission is hoping for good participation in that meeting.

The Commission is asking districts to consider their cost-share prioritization process and share that information with the Commission. Commission representatives want to be prepared to answer questions posed by the legislature regarding how decisions are made for the allocation of funds provided by the cost-share program.

Mike also stated that there will be a community forum on Tuesday regarding tree sales and third-party receipting. He added that while the Okanogan Conservation District no longer holds tree sales, the third-party receipting process may be of interest, as it will cover the use of paying options such as the Square and PayPal. The State Auditor's Office will have a representative available to answer questions about third-party receipting.

Jerry expressed some concern about the district election changes because there is the potential that he could theoretically be on the general ballot twice depending on when the elections fall. Both Mike and Craig acknowledged this as a potential difficulty, because an individual cannot be on the ballot for two different positions in the same year. Again, both Craig and Mike agreed that this is certainly something to be considered, especially for smaller communities where volunteers wear several different hats.

Public Comment:

There was no public comment.

Old Business:

There was no old business covered.

New Business:

Resolution 2020-05 Setting 2021 District Board Meeting Schedule – Craig presented Resolution 2020-05 Setting Board Meeting Dates and Times. He explained that, as proposed in the resolution, all the board meetings will be on the first Tuesday of each month, except for July and September 2021. Those meetings will be on the first Thursday of the month, July 1 and September 2. Albert Roberts moved to approve Resolution 2020-05 Setting 2021 District Board Meeting Schedule. Jerry Asmussen seconded the motion and the motion passed unanimously.

Draft District 2021 Budget Review – Becky presented the draft 2021 budget for the District, reiterating that it is a rough draft. Becky stated that the final draft will be presented to the Board for approval at the December meeting. She went on to explain that the process started with budget worksheets sent to the planners, who came up with individual grant budgets, projecting salaries at two different levels, one with no increase and one with 2.5% increase. She emphasized the need to be conservative this year due to COVID-19. She also added that there was initially a shortfall in the budget, but after pulling projects from long-term grants forward to next year to cover needed additional staff hours and revenues, she was able to balance the budget.

NACD Membership Dues – Becky presented the varying levels of NACD membership dues, delineated by NACD as a conservation investment. Craig recommended the Gold Level Investment of \$775 level because NACD provides invaluable services to the District, especially on a national level. Lorah Super moved to approve NACD membership dues at the \$775 level. Albert Roberts seconded the motion and the motion passed unanimously.

Ivan Oberg adjourned the meeting at 7:43 PM.

Summary of Motions

Lorah Super moved to approve the agenda as amended. Albert Roberts seconded the motion and the motion passed unanimously.

Albert Roberts moved to approve the October 6, 2020 board meeting minutes as presented. Lorah Super seconded the motion and the motion passed unanimously.


Albert Roberts moved to approve Treasurer’s Report #810. Lorah Super seconded the motion and the motion passed unanimously.

Lorah Super moved to authorize Craig to produce a floor resolution for the WACD annual meeting in support of a Commission role in a potential pilot project to limit out of basin water transfers, allow for the sale of water rights within the basin of origin, and the creation of water banks to be administered by local conservation districts. Albert Roberts seconded the motion and the motion passed unanimously.

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Lorah Super moved to approve NACD membership dues at the \$775 level. Albert Roberts seconded the motion and the motion passed unanimously.


Ivan Oberg _____ Date 12/8/20
Chair


Becky Drenner _____ Date 12/8/20
Finance Director