

KING CONSERVATION DISTRICT
Board of Supervisors Meeting Minutes
SPECIAL ANNUAL RETREAT MEETING

April 21, 2012

1 **Supervisors Present:** Bill Knutsen-Chair, Jeanette McKague –Excused, Max Prinsen – Auditor
2 Eric Nelson

3 **Associate Supervisors Present:** Kit Ledbetter.

4 **Staff Present:** Sara Hemphill, Brandy Reed, Josh Monaghan, Jessica Saavedra

5 **Guests Present:** Eric Frimodt, Elizabeth Walker

6 Chair Knutsen called the meeting to order at 9:30 am.

7 The agenda was reviewed and approved. There was no consent agenda.

8 **Nelson Moved; Prinsen Seconded Passed unanimously a motion to approve the agenda. (3**
9 **aves, 0 nays)**

10 PUBLIC COMMENT: None

11 REGULARLY SCHEDULED ITEMS: None

12 EXECUTIVE SESSION: Convened to address pending discussions regarding the Hammond
13 litigation 9:40 a.m.

14 The executive session was extended ten more minutes at 10:20 am ended at 10:30 am. It was
15 advisory and no final action was taken.

16 NEW BUSINESS: Annual Board Retreat Work Session

17 1. Public Funding System Discussion B. Knutsen / S. Hemphill
18

19 Hemphill lead the discussion regarding preparation for 2013 system of rate and charges.
20 Hemphill stated that the District should be prepared to receive less money than it did from the
21 assessment. She continued that it is imperative that staff start talking to jurisdictions, despite the
22 fact that others might not want us to. Jurisdictions are our partners and need to be in the loop.
23 Hemphill is hearing enthusiasm on getting more money for the jurisdictions, a dollar. King
24 County knows jurisdictions will be receptive to hearing from KCD.

25 Hemphill updated the Board that she is working on building the package to go out and the Board
26 should consider putting together both an assessment and a rates and charges options at the same
27 time just in case. Proposal of work plan and budget is supposed to go to King County by August
28 1st that lets them know what we want to do. Needs to be ready by July 1st. Conversations
29 suspended with King County staff because embroiled in settlement discussion. Nelson is in favor

*“Promoting sustainable uses of natural resources
Through responsible stewardship”*

30 of proposing both options and stated that he has real concerns about rates and charges not getting
31 us where we want to be. Ledbetter stated that maybe a scaled charge might be good. Knutsen
32 also is worried about that as well and said that the Board can't respond until other things are
33 settled and that assures us that we will have a certain amount to deal with so we are not over the
34 barrel again. Without knowing how WRIA funding will be addressed makes it difficult to move
35 forward. If we continue to operate as usual won't be able to do what need to. Prinsen stated that
36 there is issue between urban and rural rate payers and concern about creating an undue burden on
37 the rural landowner. It's a difficult conversation. The question is how you value the big
38 backyard. SWM fees value that. The rates and charges proposal can show where our services are
39 provided and how will mitigate the urban landowners.

40 2. Funding Transition Discussion B. Knutsen S. Hemphill

41
42 Hemphill distributed copies of the budget which compared previous years to this year's budget.
43 She stated that the way we have budgeted over time has changed due to a variety of factors, so it
44 has been difficult to show a sequence over several years. Monaghan explained that prior to 2009
45 budgets were a more simple format. The ED at the time broke out budget by programs and it has
46 been hard to aggregate and look at year to year. Budget in packets based on program groups as
47 detailed and shows 2009-2012 budgets. It also includes proposed cuts. It should give the board
48 some sense of how the budget has been laid out every year. The stand out program is education.
49 It's gone down every year. Executive budget was removed because not seen as necessary and is
50 now wrapped into board and admin. Executive budget was added as part of negotiations with the
51 County at that time. The intent was to show a fully loaded budget so could go in and back out
52 what the cost of administering the grant program was and required the executive budget to come
53 up with formula for the admin fee. Knutsen asked if grant funds should be shown in the budget
54 or not? Monaghan responded that they haven't shown the grants over last two years. Nelson
55 would like them in the budget. At one point it was discussed to show the grant revenue in the
56 budget to demonstrate that the grant program was part of the organization. Knutsen stated that
57 the information should be included for public consumption. Saavedra said there is a year to year
58 disconnection and so staff will need to figure out how to best show it in the budget. Nelson wants
59 to show what has been allocated for grants and the plan to deliver that amount. Nelson wants the
60 budget to show the amount available, whether or not it goes out is not necessarily important.
61 Transparency to public is important. Knutsen suggested that this topic be discussed with grant
62 program discussion which is scheduled for later on the meeting agenda. Hemphill handed out the
63 Friends of the Cedar River Watershed budget strategy document as an example of what others
64 do. She explained that it is a four year projection of what they would need for the next several
65 years and is based upon what they currently do. They are hoping for 500k but actual may be
66 340k or so. They have included the various programs and want to collaborate with us on the
67 salmon story aspect of their organization. Knutsen sent info on the wheat class to the Friends and
68 Hemphill went in Renton and reported that it was an excellent in the classroom program. 30 ten
69 year olds were mesmerized for an hour and it included both active and seated activities. Benton
70 Conservation District received a grant from the Wheat Growers Association to fund the program.

71 3. Update 5- Year Strategic Plan Discussion B. Knutsen / S Hemphill

72

73 **(Bolded sections indicate next steps for staff to work on)**

74 Hemphill presented the strategic plan document that is to be submitted to the commission.
75 Hemphill reported that staff spent time on drafting it and the values section is the most changed
76 from previous versions. The District has to submit the plan at the end of May to the Commission.
77 Staff needs to know from the Board if there are any proposed changes. Hemphill stated that she
78 is not soliciting input to change goals or intent just to ask if there is anything that needs to be
79 changed or tweaked. She summarized that the goals are based on core programs, special projects,
80 and internal plans. The County knows that this is the framework for what the district will do
81 going forward and will inform ILA.

82 Knutsen stated that somewhere under the partnerships section, something needed to be added to
83 **work with the tribes more** because at a recent meeting it was apparent to him that the that
84 tribes don't think CDs do enough or are not forceful enough in things they do. Nelson stated that
85 he thinks that idea goes beyond the tribes. In his job, he wrote a paper on conservation
86 incentives. Criticism of conservation programs in general is pervasive throughout the
87 environmental community. He continued that lots of money is spent from the federal to local
88 level, but the criticism is that cumulatively we are not getting the bang for the buck when
89 compare to the money spent for work on the ground. Nelson said the lack of prioritization is
90 indicated as the cause. Knutsen looks at PSP differently after spending more time with them. We
91 are on parallel tracks going same direction. Partnership doesn't intend to be on the ground fixing
92 things, but being at table when agencies and orgs meet to shift funding to be more collaborative
93 mode because regulatory strategy doesn't work. Thinks there will be more opportunity to work
94 with them more. Nelson reviewed the caucus agenda and agrees with Knutsen. Nelson stated that
95 the District needs to make case that we are the on the ground implementers. He suggested a
96 document about all of the on-the-ground stuff the conservation districts and partners have
97 accomplished. Prinsen agreed and stated that we've tried to bring the tribes and environmental
98 community into what we do. It's not the work we do it's the stuff we legislate. WACD is the
99 problem. CDs are looked at as mechanisms for big farmers to escape from things. The wolf
100 issue was brought up is an example. CDs are perceived as the protected group for farmers that
101 want to do bad things. Ruckelshaus has confirmed this perception. That's reasons why state and
102 legislative authority don't see us as the authority. Hemphill provided another example that
103 supported Prinsen's remarks about a landowner that was helped by KCD to move her road, she
104 was landowner taking care of resources, but the perception was that the CD was the avenue to
105 help her get the work done not the regulatory agencies who were keeping her from getting it
106 done. Monaghan added that the CD helped her because of the critical areas ordinance that says
107 that CD will work with permit office to find solutions to problems on farms. Monaghan and
108 other staff are working on practical solutions with the permit office and because of that we can
109 help the landowners and are looked at to do so. If Districts continue to try to work with
110 regulatory agencies instead of against, there's potential to shift perception that CDs on side of
111 resource instead of just the farmer. Prinsen stated that politicians don't see the stories and
112 examples and we need PSP and others to help disseminate those stories. Hemphill added that
113 jurisdictions want to support regulatory methods and don't realize that implementing BMPs on
114 property provides the landowner the ability to that meet the CAO. Prinsen stated that the RCW

115 mandates that we implement nationally recognized environmental practices and doesn't mention
116 NRCS.

117 Nelson asked why is there such a disconnect between the CD and NRCS (i.e. moved away from
118 collocation)? Hemphill said that she didn't know but the disconnect is not going to continue.
119 Reed asked what the perceived disconnection is. Nelson said meeting with Claire, made a off
120 handed statement that didn't remember last time got a referral from EQUIP or FPP or any of
121 their programs from the KCD. Prinsen said we used to have an NRCS rep come to the board
122 meetings. Monaghan added that Claire hasn't given us an update. Reed stated that the majority of
123 King County landowners cooperating with the District are ineligible for EQIP funding or are not
124 as competitive as larger agricultural operations with numerous resource concerns. Nelson said
125 that now with some of farm bill's new initiatives with organics and smaller landowners there are
126 more options. Knutsen stated that those are just now starting to be an option. Nelson thinks that
127 USDA is shifting focus to know your producer, food system focus. Monaghan said that it is good
128 to hear this feedback and that he wants to talk with Claire about how to better connect our
129 customers with their programs. Nelson said there will be an announcement on a Puget Sound
130 initiative coming together soon and a meeting will be pulled together and that he needs to get
131 contacts across the county to put together a coordinated proposal. He stated that he sees the CD's
132 key core function as working with NRCS and that he doesn't think we are taken advantage of
133 what's available. Monaghan added that he working on statewide training for CDs so not
134 necessarily with local NRCS.

135 Knutsen added that there is a **need to reach out to CAPR** to find out what we can do with them
136 that can relieve the tension. Actions that agencies take that affect landowners like
137 flooding are just as bad. Reed stated that perceptions are influenced by the opinion that
138 farm bill funding is a subsidy system for agro-business. The conservation district system
139 is wrapped up in this interpretation, and is viewed as anachronistic and wasteful. The CD
140 needs to continue to tell the stories about the good work we are doing and ensure we are
141 not pegged as a technical assistance system that serves only agricultural interests.
142 Additionally, since we are never going to turn someone in if they're doing something
143 wrong, we need to find some middle ground with tribes on that. Knutsen stated that
144 generally, the CD is called into come up with a solution when someone is reported as in
145 violation. That's positive. Practical solutions that fall into the affordable arena is less than
146 satisfactory to the other agencies. If it is not affordable then why is anyone going to do it?

147 Nelson added that most of literature he reads is by persons looking at conservation incentive
148 programs not legislation and farm bill stuff. The biggest problem is targeting dollars where there
149 is the most need. Species of concern or impaired water bodies, etc. We need to be looking at the
150 right practice at the right time for the right amount. Ledbetter said that perception isn't problem,
151 but the lack of knowledge of what the CD is or that it even exists. Important aspect of strategic
152 plan is to get that awareness out. Prinsen added that if groups don't want to acknowledge you
153 then you can't get that awareness out. Kit agrees that is what is happening. There's not enough
154 publicity out there in the form of signs, articles to demonstrate that KCD exists. **Prinsen sees 3**
155 **minor changes to goals on page 3, he asked staff to change voluntary to partnered**
156 **stewardship. On page 5 update changed to enhance.**

157 Hemphill reported that she hasn't received any negative feedback on the mention of open
158 competitive grants and suggested that maybe the group should play with that language; she
159 **suggested using the word "balanced" or "expanded"**. Prinsen suggested that the grant review
160 subcommittee should have set time schedules to measure grants against each other, and because
161 it is harder to evaluate them when the applications are coming in at different times. Prinsen
162 suggested that the CD identify projects around practices and organize the grant round so that
163 certain categories of projects come in at same time Knutsen said that the way it is set up now is
164 not competitive and it's structured in a way that's difficult to measure one against the other.
165 Knutsen suggested that we expand the committee to bring in people from outside and that we can
166 do that if there is a more structured timeline where the committee can compare apples to apples
167 with a broader audience. Hemphill stated that Saavedra has brought up the flack we get on
168 consistency and that can change if there is a better measurement tool, she suggested changing the
169 timeline on the strategic plan to end of 2012. Nelson added that the CD needs to expand the
170 collaboration goal and that he would like to underscore something to do with legitimizing,
171 strengthening role of the Puget Sound CD Caucus. The subcommittee could include tribes,
172 environmental community, or other conservation minded partners Prinsen added that we need to
173 become recognized as the organization to implement conservation practices.

174 Discussion ensued about Page 3 and the intent to balance resource protection and use. It was
175 suggested to put in TMDL language that used to be in previous strategic plan. Reed asked if the
176 Board wants to work only on TMDL and other things; and she mentioned that we can add 303d
177 to TMDL. It was asked if NPDES should be added and if it could tie into our education program
178 as a service. Prinsen responded that it could be beyond education but we need to scope it out as
179 to what is our role in partnering with jurisdictions on NPDES. It was suggested to add a bullet
180 that says **"seek methods to work with jurisdictions to support efforts on NPDES"**. Knutsen
181 **stated that most of the timelines should be moved back because we haven't gotten to them**
182 **and some need to be moved up to current year to reflect current work.** Hemphill asked what
183 else is missing. Reed stated that the plan needs to more accurately reflect where we are at.
184 Nelson said that involvement with farmland preservation or protection is missing and Hemphill
185 suggested adding that under working lands section through the county farmland preservation
186 program **"Explore districts role in regards to regional farmland preservation/protection**
187 **efforts"**. Want to be in position to support that given upcoming activities.

188 Reed added that **under "expand collaboration" consider rewriting something about PSP**
189 **collaboration that gets at helping them embrace us as a key partner in recovering Puget**
190 **Sound..** She suggested getting rid of "program" and add "collaboratively work with
191 partnership". Current they are working with Skagit CD, not King CD directly but want them to
192 embrace CD's as a whole. Page 3 last bullet speaks to caucus. Discussion ensued about the Puget
193 Sound Partnership.

194 **Monaghan added other edits to page 3 under 2 year objectives add "coordinate with NRCS**
195 **staff to increase EQUIP referrals"**. It was suggested to not limit it to just EQUIP but farm
196 **bill programs in general.**

197 It was suggested to eliminate the language about local governments and was asked how the CD
198 can go from reactive to a more strategic targeted approach. **Get rid of “in collaboration with
199 local governments”;** **identify three targeted critical resource improvement areas.** Hemphill
200 stated that she thinks we are trying to figure out how to help jurisdictions to engage landowners
201 in nonpoint source pollution issue, bridge connection to private sector. Prinsen stated that we
202 need to add better target resources to priority areas identified by CD. Hemphill reminded the
203 group that this discussion is related to NRI and that Reed was hoping to talk with the Board
204 about completing NRI as part of the grant program discussion later in the meeting. Justification
205 for why spend money the way you do and program of work. What about with identified partners
206 to keep it at upper level and not limit. **Staff to craft bullet. Change local government to
207 partners, cooperators. Add partners to address all potentials.**

208 Discussions continued about what’s needed to be added to strategic plan and messaging. There is
209 a need to **make raised awareness part of the plan explicitly stated.** Hemphill added that
210 there’s something to be learned from the Forterras and other organizations that still have name
211 recognition even after changing their name and they have successful fund raisers. Nelson asked
212 why can’t we work with tax assessor’s office to get a flyer in their mailings about the district and
213 an explanation. Hemphill responded that the assessor’s office has said no on the flyers but yes to
214 just providing us with the mailing addresses. Maybe we can negotiate that with the county
215 council. Hemphill add that it would be good to know how many people don’t get their bill
216 directly instead the bank receives it. Knutsen added in regards to the issue with CAPR and CD, it
217 was mentioned that maybe the issue is with the process and maybe not what KCD does. Maybe
218 this lawsuit settlement the issue may be satisfied.

219 Lunch break from 12:30 to 1:00 pm

220 4. Outreach Messaging Discussion S. Hemphill / B. Knutsen

221
222 Hemphill started discussion about her meeting with Jennifer Schroader with City of Kirkland
223 about Totem Lake. Prinsen said that an appraisal is needed and that the CD can’t gift public
224 funds as the city would prefer. Hemphill summarized that she told the city that KCD hasn’t been
225 able to give the property the time and work that’s needed because haven’t had a budget for the
226 work needed such as capital or facilities maintenance. The city has done road work and water
227 management strategies and had issues from a sink hole. Hemphill discussed a trade of property,
228 fees for services such as what’s been discussed with Normandy Park. Left conversation with the
229 point that most important thing was to ensure Totem Lake is well cared for because it’s an asset
230 but KCD needs a quid pro quo.

231 Hemphill lead the outreach messaging section of the meeting and stated that the intent of
232 discussing this is that staff wanted to make sure everyone on the Board is on par with the
233 messages communicated. One of the messages is that we are anticipating changing a number of
234 things given the new situation with legal challenges. Changing the way the grant program works,
235 charging fees for services. Knutsen thinks message has changed with settlement. Not sure see
236 value in going out to all rate payers, spend a million to make a million. The audience is the cities.
237 At the end of the day when the ILA is signed, the cities are on board and believe in it and stay

238 with us. They are our target, key audience. Prinsen stated that messaging is subtle, there's paper
239 and actual communication with individuals. First task is subtle messaging to cities about the
240 situation with no new funding available and that we may have to go after leftover money but we
241 will keep their interests in mind as we move forward. It was suggested that instead of writing
242 things down to have them change the next day, its best done on individual basis. When asked if
243 we are thinking we won't go after five year old money, all we can say is that things are looking
244 positive, but sure glad we don't have to go after that old money. Hemphill added that we still
245 need to cover the costs to do rates and charges, software for finance and other systems, stronger
246 outreach program. Thinks there is agreement with county that those are needed and should be put
247 in our revised 2012 budget.

248 Another message or answer to questions is that we can't really say anything concrete until we
249 have a revised ILA. Reed stated that an important message is that KCD is committed to
250 partnerships and coming up with the best possible outcomes for all of the stakeholders. Walker
251 talked about messages with Cheryl Angle and she seems to reinforce everything we are saying.

252 Nelson reminded the group about points made earlier about involving tribes, environmental
253 groups and other state agencies to help us start changing the perception Nelson brought up
254 DOE's BMP effectiveness monitoring and asked how we could come up with a creative way that
255 we could get that monitoring on the ground done by a third party to begin rebuild credibility with
256 DOE, tribes, and others to prove that what we are doing is working. To the extent that we could
257 do a pilot project to prove that BMPS are working as supposed to would be important. NACD
258 monitoring effectiveness tools we mentioned. Someone asked if the CD can work on a project
259 together with the UW. Knutsen talked about work done with WSU that was discounted because
260 it was an AG university. Reed asked if it is important to monitor the bmp or are we really trying
261 to measure improved environmental conditions and get measurable results. Board members
262 agreed that is the result we want to monitor. Knutsen stated that DOE is changing what it's
263 monitoring and what's important. Hemphill added that regulatory agencies love effectiveness
264 monitoring. Prinsen added that the public does too. Friends of the Cedar River Watershed are
265 working on this too and looking to expand it more as per Hemphill. All of us have to care about
266 doing stuff and linking it positive outcomes. Nelson added that we need to target the resources
267 and needs and then show results as per targeted plan then can actually show results. Hemphill
268 remarked that this discussion moves the group into the grant program development discussion
269 and should be added as something we want in the new program. Reed asked what kinds of
270 constraints do we put on ourselves by targeting our work, what problems are generated? We need
271 to think about this. Think about how confer benefits when too targeted of an approach is
272 employed. Another benefit of rates and charges is not having to prove that benefit. What about
273 those new non-targeted opportunities? You have to serve those that are ready to be served, but
274 also target to show whose meaningfully benefitted.

275 5. Open Competitive Grant Program Discussion B. Knutsen
276

277 Hemphill began the grant program discussion with the following statement; while we are talking
278 about a new program, we still need to address the existing situation. Whatever is decided as the
279 interim policy regarding dispensing prior to 2012 moneys that policy needs to be qualified as

280 temporary because don't know everything yet. Whatever we do now has a nexus to the long term
281 shift to a new program.

282 Knutsen asked the group; what do you think KCD should fund?

283 Nelson stated that we need to fund contractual commitments we've entered into. Hemphill
284 responded that we can't afford to. Prinsen suggested considering the jurisdictional grant
285 component only. Reed asked why not apply to both programs. Prinsen responded that we always
286 need to talk in context of two different programs, as far as the jurisdictional partnerships are the
287 concern long term.

288 Prinsen added that there are more unobligated jurisdiction funds than WRIA funds, \$2.5 million
289 not obligated. We need a million of that to make up for reserve fund and then how do we pay it
290 back? We have an obligation thru that ILA about funds contracted out, funds obligated but not
291 contracted, encumbered. Nelson said that he is talking about non awarded amounts being
292 available for us

293 Knutsen stated that in the near term, we have been presented with the Auburn proposal for
294 incremental funding to get farmers market going, Issaquah has a similar proposal are we
295 comfortable with that?

296 Nelson responded that it seems to be bureaucratic nightmare. Reed responded that staff would
297 have to run the accounting system differently to do it. Hemphill added that is why we didn't do it
298 before because of the administrative burden on district. Reed added that in truth the original
299 intention was because others thought the money was there's and they wanted access to it right
300 away.

301 Hemphill stated that we still need resolution on the ILA.

302 Prinsen stated that on Monday the Board could consider that the money obligated to jurisdictions
303 through contracts would continue to be funded but no new grants, we sit on those funds, WRIA
304 grant program on hold until get a better read on outcome of ILA. He summarized that of the
305 funds 558k is obligated through contracts with the cities and 2.9 for WRIA grants. The number
306 to focus on is difference between obligated and available, 1.5 million sitting unawarded for
307 jurisdictions and WRIA have 1.1 million available. The point is 2.6 million that could carry us
308 thru year if don't award any new and only pay what's awarded. Not including 2012. Prinsen
309 stated that from his perspective the CD should honor awarded contracts

310 Knutsen suggested asking cities to come to board meeting and talk about getting help and buy in
311 with dealing with the situation and maybe they can help get issue resolved with ILA, otherwise
312 unobligated money could disappear. Let's not lose momentum for reimbursement, all projects on
313 hold except for reimbursement can move forward.

314 More important is help lobbying county for the funding we need to have to continue the grant
315 program at an enhanced level. Someone asked if another funding mechanism for the WRIAs
316 comes about, then could we get increased level of funding?

317 It was stated that we are going to honor jurisdictional contracts. Someone asked about WRIA
318 amendments and grants and summarized the WRIA 8 example. It was suggested that amending
319 grants on a case by case basis is ok and returning excess funds. But we can't fund any new
320 projects.

321 Hemphill asked the group about what we say when the primary contract fails, or has failed, do all
322 subsidiary contracts fail. That's not what we want to have happen. But make the point that is
323 situation.

324 Prinsen suggested honoring 50 percent of the \$2.9 million to be paid and asked how many near
325 close out stage, maybe we could pay close outs first. If can close out in a certain period of time
326 then you get your close out payments up to 1.4 million

327 Saavedra stated that the staff proposal is to pay out close outs and do amendments. Hemphill
328 added that the first step is to clean up books by closing out grants ready to be closed, showing
329 good faith action.

330 Knutsen stated that we know there is an end in sight to the Hammond lawsuit, so money can go
331 out the door.

332 Reed restated Saavedra proposal to release funding for contracts on reimbursement, close out
333 contracts and release 10 percent payment, amendments analyzed on a case by case basis. She
334 said that another way to say this proposal is to honor all existing contracts with a new set of
335 procedures. If this doesn't sit well with the Board, then we need to reconsider Prinsen's
336 proposal. Someone reiterated that the Board would be honoring the awards made to date and that
337 may get push back on reimbursement with WRIA grants. Someone mentioned that with this
338 method you are still securing 2.6 million.

339 **Knutsen asked Saavedra to come up with a resolution for Monday's meeting working with**
340 **oldest to newest money with WRIAS and a second resolution regarding jurisdictions to**
341 **release moneys on reimbursement basis.**

342 Knutsen then moved to new grant program discussion. What should be in the new grant
343 program? What do we want to fund and not fund? No freeway interchange rain gardens.

344 Prinsen suggested starting with looking at the structure of new program look like then determine
345 what it looks like. Look at a time-based program like the opportunity fund with the ability to
346 rank, measure against each other as a process, and allow us to engage outside people in the
347 review process.

348 Hemphill suggested scheduling like grants to be reviewed at same time. Nelson offered a two
349 tiered process with pre-proposal to sort out what want to fund, similar to the opportunity fund,

350 within the funding criteria guidelines, categories and areas of work we want accomplished to
351 address A, B, C or D otherwise it is a free for all.

352 Prinsen said that it's not a competitive program if you're promising to work at a certain level.

353 Hemphill said that it should be weighted in a way that jurisdictions get to enjoy benefit from the
354 program. Prinsen responded that he thinks we will get pushback on that.

355 Hemphill said that we want to introduce new people so they have the opportunity to apply for
356 program. Member Jurisdictions will still want money for their farmers markets.

357 Reed stated that the Board's choices are to have a true competitive program with an RFP
358 (Request for Proposals) solicitation, review process, and award system or a hybrid program
359 where the Board makes a commitment to engage with member jurisdictions in reviewing
360 proposals and determine if awarding the grant, with some kind of earmark so they stay at the
361 table. One is competitive and the other is less so but still competitive. An example is a project is
362 either proposed by the City of Redmond or awarded to an entity performing work within the
363 boundary of Redmond.

364 Knutsen sees a second cost share program where Taylor or Boeing comes in and brings their
365 money to table along with a grant application seeking to do things that build natural capital,
366 benefits the business and the commons through water quality improvement. He sees that as
367 separate from jurisdictional program.

368 Hemphill added that the biggest flaw is the pre-allocation to certain jurisdiction or WRIA'S. It
369 has to be open, competitive, that being said jurisdictions won't be involved if not enough money
370 at the table for them to be satisfied. Work would be done in that region, receive a certain amount
371 of benefit back/value back to the stake holder's area.

372 Walker asked the Board how the shift could be made from the thinking that they have a certain
373 amount of money to what projects do you have that fits both sides interests. Smaller jurisdictions
374 get short changed.

375 Knutsen responded that in a ranked program smaller jurisdictions would see value with a big
376 project in a small area. Unbiased group of reviewers would see the benefit.

377 Walker added that the focus could be shifted to what the projects are.

378 Prinsen asked how do we manage the dollars. For example, the Friends of the Cedar River
379 Watershed comes in and the jurisdictional boundaries blur because their work benefits the
380 watershed, improving the big scale, kind of like WRIA model one project benefits whole then
381 next time next city gets the project.

382 Someone asked if a competitive program could be designed that gets benefits to jurisdictions to
383 an acceptable value? Go back to projects by jurisdiction or in jurisdiction.

384 Monaghan stated that there seems to be 3 pieces to the grant puzzle, one is grants to the
385 jurisdiction, two is grants to someone other than the jurisdiction, and the third is a grant using a
386 regional focus.

387 Prinsen stated that the key word is benefit to stakeholders, way to ensure that they get benefit,
388 create program that allows us to measure benefit compared to all grant applications, need a cycle
389 to it, timed at the same time. Can call it jurisdictional or whatever, stakeholders, at end of the day
390 will get pushback if take Seattle money and it doesn't end up in Seattle. How to we combat that?

391 Knutsen responded that we talk about targeted, priorities to address different needs. We can say
392 that we can help direct money where you want it to be, every granting cycle will be different.

393 Prinsen said that the funding criteria should be based on the resource needs you want to address.
394 We are not talking about a competitive grant program, are we developing a competitive program
395 or restructuring an existing program. Need a decision, which it is?

396 Discussion ensued and someone asked why can't we have a competitive program that promises
397 benefits? Someone responded that would create a management nightmare, with current thinking
398 the way it is. There is comfort in saying people are going to be made whole with us. Losing that
399 statement may lose jurisdictions.

400 Having designated jurisdictional amounts is the question. Can we continue to do that? A hybrid
401 program means designating an amount to go to a certain area.

402 Monaghan added that the EQIP program has allocations by county, left over money not
403 allocated goes to others and they figure out where goes.

404 Nelson added that the problem is that not all 35 jurisdictions come in with a project, the program
405 only attracts so many at a certain period of time, same with opportunity fund not tons of projects

406 Reed added that the KCD NRIM helps the District address the issues it wants to target.

407 Hemphill stated that a new program needs to state up front that no allocations to jurisdictions and
408 that any use of money for staff or overhead is restricted based on legal situation.

409 Prinsen said that it seems like the money is going to city parks, and beautification of views,
410 which he thinks is egregious and seems like its financing government.

411 Knutsen heard at the caucus that there's lots of interest in storm water management, mandated
412 programs needed to be addressed, CD's can help cities address that.

413 Monaghan suggested that the program could have threshold where if doesn't meet a resource
414 concern then the project doesn't get the funds.

415 Reed suggested that the Board and staff may need more time to discuss the funding criteria
416 questions and that we should determine when to have this conversation again. Hemphill added

417 that there really is a legal conundrum, only way to be competitive is no pre-allocations. What's
418 the difference between prioritizing areas, it's all funding criteria. Staff wanted to give the board a
419 summary of the NRIM, statutory requirement that need to do something that is of benefit. The
420 group agreed to stay until three to get the summary from Reed on NRIM.

421 Reed handed out information for the board to look at their leisure. She described the handouts.
422 The first is an excerpt from 89.08 regarding the statutory requirement to conduct an inventory of
423 natural resources. KCD started its inventory in 2006 but didn't have enough money to complete
424 it. Staff has been trying to get money to complete the project since then. The project included
425 building a "data warehouse" of all available data that intersected the boundaries of the King
426 County Agriculture Production Districts. The intent was to then conduct an analysis of the data
427 that would lead to mapped and prioritized resource concerns. Once completed, the Board could
428 use the NRIM to build long range and annual plans of work along with associated annual budgets
429 that address the priority resource concerns.

430 Reed reported that along with the KCD, many other conservation districts have not completed an
431 NRI; and the Commission has been working to assist Washington State conservation districts in
432 meeting their NRI statutory requirement through a partnership with the NRCS State Resource
433 Assessment process. The NRCS SRA is being used to allocate NRCS EQIP funding. One
434 potential concern regarding the usefulness of the NRCS SRA is the fact that the only data sets
435 included in the SRA are data sets that have a state-wide geographic application. This would
436 mean that more local data collection initiatives would not have been integrated into the NRCS
437 SRA. By extension; the priority resource concerns included in the NRCS SRA would not have
438 adequately considered local level resource issues that do not have a state-wide footprint.

439 Once an NRI has been conducted, the KCD could use the identified resource priorities to
440 establish funding criteria for a competitive KCD grant program, where the grant program
441 funding criteria would target KCD funding to address the District's priority resource concerns.
442 But first, the Board needs to decide if the KCD grant program will be competitive, or will it be
443 based on allocations?

444 The current status of the KCD NRIM is that data warehouse has been built. Some of the data
445 needs to be converted to a more useable format. Once this data clean-up process has been
446 completed, the analysis process can be conducted. This is not an insignificant amount of work.
447 Prinsen asked what is needed to get it done. Reed doesn't know what it's going to take at this
448 point. The district had staff working on it that is no longer with us. We could send out an RFQ to
449 see what the cost and timing would be. The entire scope of work was bid at close to \$80,000, and
450 the District elected to implement only a component of the total scope of work, and contracted
451 with King County GIS for \$35,000 to complete that component. **Reed was asked to put**
452 **together a proposal on what is needed to get the project resurrected.**

453

454

455 Knutsen adjourned the meeting at 3:00 p.m.

456 William M. Knutsen

May 16th 2012

457 Authorized Signature

Date

458

459

460

Summary of Motions

461 **Nelson Moved; Prinsen Seconded Passed unanimously a motion to approve the consent**
462 **agenda. (4 ayes, 0 nays)**