

Garrett Soil Conservation District Supervisor's Meeting

July 18, 2023, 7:00 p.m.

Garrett Soil Conservation District Board Room

Participants

- Smokey Stanton, Board Chair
- Kristen Enlow, Board Vice Chair, Treasurer
- William Buckel, Board Member
- Butch Helbig, Board Member
- Seth Metheny, District Manager (DM), Joining Online
- Chad Bucklew, District Conservationist (DC)
- Jeannie Frazee, Administrative Assistant

Meeting Topics

- Certification of Quorum
- Call to Order
- Approval/Correction of June 20, 2023 Minutes
- Treasurer's Report
- District Manager's Report
- Chairman's Report
- District Conservationist's Report
- New Business
- Old Business
- Public Comment

Call to Order

Smokey Stanton, Board Chair, certified a quorum and called the meeting to order at 7:03 pm. All current board members were in attendance.

Approval/Correction of June 20, 2023, Minutes

William Buckel suggested three corrections to the minutes. On page three, the second line should read, "They have annuities with a return of 9% averaged over the past nine years. A six-year term annuity allows 10% to be taken out per year without a penalty." On page three, paragraph one, the last line, should read, "The fee needs to take into consideration the cost of the project." On page three, paragraph four, the fifth sentence of the second section, should read, "William Buckel stated that he would like to see a cost estimate and advice from Brian Boal as to whether a compilation does the same job as an audit." Butch Helbig stated that there was some conversation in the last meeting that should have been included in the minutes

regarding it needing to be assessed whether properties in the Deep Creek Lake watershed may be more complicated. If so, the Board may need to look at whether there should be higher fees to cover that extra expense for the District. Those corrections were noted. There being no other corrections, William Buckel made a motion to accept the minutes as modified. Kristen Enlow seconded the motion. The motion passed unanimously.

Treasurer's Report

Financial Report Monthly & YTD

Seth Metheny presented the monthly financial report. Carryover has been added as suggested by the Board in the previous meeting. Smokey Stanton asked if there was anything in the report that Seth would like to highlight to the Board. Seth replied that because we have been able to do more physical services inhouse, the cost of Professional Services has been, and will continue to be, lower. Also, the Office Equipment line contains the costs of the computers purchased with special funds, which will not be expected in future years. Smokey Stanton asked if the District realized a profit from the special funds since the amount given was higher than the cost of the computers. Seth replied that the money would be a carryover for the CBTF which has an MOU, so in order to use the funds for other purposes, the Board has to submit a Request of Use to the State. This also applies to any carryover for the State General Funds. Seth reminded the Board that because the County is not paying a full half of the Administrative Assistant's salary, the carryover may be needed to cover those costs. Smokey Stanton suggested that the District is wanting a scanner, which is similar in nature to the original purpose of the funding for laptops. Seth said that the District could make a request to the State to use the carryover for a scanner.

FY24 Garrett SCD Budget

Seth Metheny presented the FY23 GSCD budget proposal. As requested by the Board at the previous meeting, he added the carryover funds to the report. He also moved the rental equipment insurance to the rental equipment area of the report. As requested, he also moved the interest from the accounts from the "Principal" lines to "monthly". Seth asked if the Board wants to count interest as income in the reports. If Brinker is added, it could make the income negative. William Buckel stated that the Brinker account may not always lose as much as it did this year. It is on the stock market, so it could go up or down. Smokey Stanton said that interest should be left as it is now, as the Board is not planning to spend it. Rather, there only needs to be an accounting of it. Smokey commented that some of the funds should be designated on the report as restricted so that the Board will know which lines cannot be used for other expenses. He recommended using numbered footnotes to delineate specifics. Smokey Stanton reminded the Board that this is a proposed budget which reflects what was discussed in the previous meeting.

Seth Metheny told the Board that the District has received an invoice from the County for equipment insurance through the County.

Butch Helbig asked if the District had found out if the Brinker account could be moved. Seth Metheny stated that he has contacted the top three banks in the area to find out about interest

bearing accounts. The best one that he found was Truist, which offers a 7-month CD with 5% interest rate. He talked with the bank representatives, and they are willing to set up a time to meet. William Buckel said that he had checked with First Peoples. They have a 9-month CD at 5%. He said that he would be in favor of getting it for a longer term because rates could drop. Seth noted that he had looked into longer terms, but they were at lower interest rates. William stated that he found the same thing at First Peoples. He said that the rates varied substantially between different options. Kristen Enlow asked if the money could be divided into more than one investment account. William Buckel said that it could, and that the District could also get more than one certificate in the same investment.

Smokey Stanton asked if the District's needs are being met by state funds. Seth Metheny replied that they are not, and that the Money Market account is being used to meet some expenditures.

The board discussed the option of moving the Money Market account to a credit union account that would offer a 2% interest on the first \$25,000. There must be 5 transactions per month and show one deposit per month as a transfer. Would need to see if the District could use a credit union for these funds. Butch Helbig noted that Treasurer's Notes are now over 5%. William Buckel reiterated that the District needs to be careful when using the stock market because the Board has a responsibility not to lose those funds.

Smokey Stanton stated that the Fair expense category for FY24 is low considering the District's knowledge that fair expenses are around \$800. Seth Metheny asked if the Board would like Fair Insurance added to that line. William Buckel stated that the booth, insurance, and other expenses for the fair should be broken down.

Smokey Stanton explained to the Board that the carryover for all four accounts is listed on page two of the proposed budget, which will allow the Board to see how much carryover is being used and work toward a sustainable income. Smokey asked Seth how the District is using carryover to use it up for FY23. Seth Metheny explained that the MDA General Fund does not have much carryover, but the District will need to obtain approval to use it. CBTF is straightforward as it can only be used toward the Administrative Assistant's salary. The rental and local accounts carryovers can be used as the District sees fit.

Smokey Stanton asked why previous District employees had told the Board that some funds needed to be depleted before others. Seth Metheny answered that as far as he can tell from looking at records, both the State General Fund and funds from NRCS MASCD were being placed in the same account. State funds needed to be used first because MASCD funds were not restricted. Smokey answered that he believes that to be correct and that, as he understands it, the State can request carryover to be returned. Seth explained that that is written in the MOU and they can request it back, but they have not done so in recent years.

William Buckel commented that it would be good if the report could reflect the in-kind space from the County for the Administrative Assistant. Right now, the County is only charging for State Employees. The cost would be \$1200.00 if the District was paying for the Administrative Assistant as well. Having the in-kind reflected would allow future fees to be based on the actual costs. Smokey Stanton stated that it should be added as a separate line, so that it is visible but does not inflate the income from the County. He suggested to use a footnote to depict fixed income. Seth Metheny stated that he would add both an income and an expenditure line.

William Buckel commented that seeing the Brinker account on the report makes the District look like it has a lot of money. The District has never used the Brinker account. William suggested that it would be good to flag it as a fund that is reserved in the event it is needed for dam repairs until the issue is resolved with the County and Town.

Kristen Enlow made a motion to pass the proposed budget with modifications as the FY24 budget. William Buckel seconded the motion. The motion passed unanimously.

Smokey Stanton said that he wished to thank the Board members and the staff for their work with the budget, as the Board now has more insight than it had previously.

Operations Spending Report

Seth Metheny explained that there were some extra State General funds still available prior to the end of the fiscal year, so the District purchased extra supplies that it was known would be needed in FY24. This pushed the General Fund close to the allotted amount for the year.

FY23 General Fund June Statement

Seth Metheny presented the FY23 General Fund June Statement to the Board for approval. Seth referred the Board to the green line on page one that denotes the Unrestricted Budget totals. He also pointed out the yellow line that denotes expenses that were paid with carryover funds. The District used a lot of carryover funds last year to pay for Brian Boal's expenses.

William Buckel made a motion to approve the FY23 General Fund statement for June. Butch Helbig seconded the motion. The motion passed unanimously.

FY23 Fourth Quarter CBTF Statement

Seth Metheny presented the FY23 Q4 CBTF statement. Seth pointed out the yellow column on the left-hand side, which is the quarterly amount. CBTF is accounting for 50% of the Administrative Assistant's salary. The table at the top right is the Expenditure Summary, which includes the operating expense used for the computers.

District Manager's Report

MDA Technician

Seth Metheny stated that he has not heard anything from the MDA about who was selected for the Technician position, however he has talked to someone who said they were offered the job and accepted. Seth was not able to identify the individual publicly at this point, but he stated that he thinks this person will be a good addition. The starting date should be in the next couple weeks.

Erosion & Sediment Control FY23 Reviews

Seth Metheny presented a report to the Board that details what the E&S contractor submitted to the District for payment in FY22 and FY23. The report outlines how many of each E&S category were completed and the costs to complete those plans. This information would make it possible to average 12 months of the totals to provide an estimate on the annual cost of E&S services. The report also outlines a proposed fee schedule calculated by the E&S contractor and the District Manager. According to COMAR, subsection B, "The Soil Conservation District shall develop the fee system based on the costs determined under subsection 'a' of this section and shall submit the fee system to the local governing body." Subsection "a" says that "a Soil Conservation District shall each year determine the reasonable costs of review of grading and sediment control plans for the succeeding year." Seth stated that it would be hard to push for a higher rate for the Lake area unless there are extra steps based on zoning requirements.

Smokey stated that the E&S fees defend agriculture as a land use. Smokey asked Seth if the fee schedule would charge fees for agricultural structures. Seth Metheny stated that if they are working through the District there may be a way to allow for an exemption. Chad Bucklew stated that if it is a larger construction of 5,000 sq ft or more it would be a point of discussion regarding permitting. In the past, the District has never prepared E&S plans in conjunction with District projects. Nutrient Management Plans do the same thing as E&S plans. Chad Bucklew also stated that if working with CTA there is no cost share. If they are putting up a 5000 sq ft structure, they may need to pay E&S fees. Seth Metheny clarified that E&S fees cannot qualify for cost share. The District does surveys and designs which save producers a great deal of money. When we do those plans, the District checks to see if things are installed correctly. Smokey stated that the E&S fees could be a behind the scenes incentive to work with the District for a Conservation Plan and design. Smokey reminded the Board and the staff that the fee schedule information would need to be communicated clearly to all parties involved. Butch Helbig requested that we find out from Randy if there is a justifiable reason to charge more in the Lake area. The Lake area is the only zoned area in the county.

Smokey Stanton asked if there is anyone on staff that could be trained to do E&S work. Seth Metheny stated that he had communicated with MDA, and they have no plans to change employee job descriptions to include E&S or NM work. Kristen Enlow stated that the County should pay half of the salary of an E&S employee and provide free space since it was the County that put the burden on the District for E&S services. Butch Helbig asked if there is a cost savings to use a contractual employee rather than a staff employee for E&S.

Seth Metheny brought up a concern that, right now, a staff member has to be the go-between for the producer and the E&S Consultant. This is causing problems for the staff member because he is spending so much time with E&S that he cannot get the points that MDA requires for his technician position. The District is also not seeing complete costs for E&S because the employee's time is not figured in. Seth Metheny stated that if an E&S employee were hired, the District would need to provide a vehicle and computer. An F150 costs around \$30,000, which would be \$3,000 for ten years. The fee schedule needs to account for all of these costs. Contractual is not the best long term because, at some point, the contractor may not want to do E&S for the District. William Buckel stated that the current contractor has been doing E&S for a long time. If someone else were to do it, they would need to study and would want to charge more.

William Buckel stated that it may be less expensive to pay for mileage than to purchase a truck, as the District would also need to pay for gas and maintenance.

Seth Metheny was commissioned to write a letter for Board approval to the Commissioners regarding E&S.

Correction and Update to Previous Minutes

Seth Metheny told the Board that he had received an email from Alisha Mulkey with the MDA Program Planning and Evaluation regarding changes that need to be made to past Board of Supervisor meeting minutes. The minutes for February 2023 need to cite the authority and exemption number in the closing statement. Additionally, a summary of the closed session must be included in the next open meeting minutes. Jeannie and Seth have been commissioned to fix the minutes and give them to the Board for approval before sending a copy to Alisha.

Alisha Mulkey also provided guidance on complying with Farm Bill Section 1619. Seth distributed a copy to all Board members in their packets.

Chairman's Report

Kristen Enlow and Smokey Stanton attended both the Pleasant Valley and Grantsville Nutrient Management meetings held by Willie Lantz.

Smokey Stanton distributed a copy of a press release from MDA to Board members. Smokey explained that there was a summit in Annapolis held by the MDA yesterday. It was announced that the MDA and the Extension have worked out an agreement for the MDA to continue to support a Nutrient Management Specialist with the Extension for a period of three more years. Smokey commented that the push of agricultural representatives against the MDA brought about this outcome. MDA is going to be prioritizing two goals during the three-year period. 1. Extend the time for the Nutrient Management Specialist with Extension. 2. Beef-up farmers to become certified to write their own plans.

Smokey Stanton stated that the Board needs to catch up on what is happening with some of the other boards who have an interest in areas that are of focus for the Soil Conservation District. Smokey plans to research current contacts for those boards. One of those boards is the Youghiogheny Advisory Board.

Smokey Stanton asked if the District plans to set up a booth at the fair. Seth Metheny advised that the application had not yet been sent. The Board directed Seth to apply right away.

Regarding the issue with dam maintenance and who is responsible for the dams, Seth Metheny stated that the Attorney General had called last week, talking for about 15 minutes. The Attorney General will be reaching out to a representative of the MDA Attorney General and Mike Getty. The Attorney General let Seth know that he will confer with MDE on some things because MDE is responsible for dams. He did not provide Seth with a timeline for completion of the review.

Smokey Stanton stated that the Commissioner's appointment to the Board needs to be a focus again.

District Conservationist's Report

Activity Report

Chad Bucklew asked the Board to review the Activity Report. Seth Metheny noted that Jillian Mason had completed another plan after the report was compiled.

Chad told the Board that the District received the TEAMS allocation, part of which is round two. The District was able to add two more livestock applications for Garret County. It will mean funding of 1.5 million for Allegany and Garrett Counties if all contracts follow through. The District needs to get all contracts ready for review by July 27.

There were 21 applications in the county this year. 12 were approved, 3-4 are under review, and there are 7-8 to do yet. Some were completed this week. \$1.1 million was allotted to Garrett County. There were a few practices that were subject to inflationary payments, and the District is continuing to work on getting these funds for applicants.

The Quality and Review board met today to discuss the date for Garrett County. They had planned to move it back to the first week in August. Chad Bucklew will be advised of a date after their meeting.

The lease update process is ongoing. Chad Bucklew let the Board know that he had signed a confidentiality agreement, so he is unable to discuss information about it moving forward.

New Business

There is no new business

Old Business

MASCD Summer Meeting

Seth Metheny asked Smokey what date he planned to go to MASCD. Smokey replied that he is not sure yet. Seth asked Smokey to let Jeannie know by July 31 if possible. Smokey noted that the day rate is more expensive than the cost of the entire event.

District Investments

Smokey Stanton expressed an interest in having the Brinker Representative come and talk to the Board. Seth Metheny explained that the person who makes the contact needs to be someone whose name is on the account. Seth is not on the account. Smokey stated that the District needs to find out from the Representative where the District can get the best interest rate, constraints with Brinker, and checking account needs.

Seth Metheny announced to the Board that there is a Nutrient Management training for Farmer Certification in Annapolis, Aug 1 and 3. Seth had contacted MDA to find out who would qualify for Farmer Certification. Anyone who is involved with a farm can become certified. If there are multiple farms linked under one operation, that person can write plans for each farm.

Seth Metheny said that he checked with Appalachian Labs in Frostburg about soil testing for Nutrient Management. They can do it, but they would need to create a program to do it regularly. They would require an agreement with an agency that could guarantee funding. They have the capability but no revenue stream. Seth stated that it would be a benefit to Garrett County if we could have a soil testing lab in the area.

There being no other business, the meeting adjourned at 8:57 pm.