Executive Committee Meeting
July 20, 2021

I. Call to Order
Meeting called to order at 10:00 a.m. by Bud Gladstone via Zoom Call.

Members Present, via Zoom:  Dave Cammer  Richard Giles
                        Karl Gockel  Bud Gladstone
                        Fred Huneke  Jeff Graff
                        Tom Hutson

Others Present, via Zoom:  Ryan Naatz  Amy Faulkner
                        Gibson Durnford  Larry Hulle
                        Nate Townsend

Ryan asked to add discussion and motion regarding Ag Program and Committee approvals under Program Report.

II. Approval of Minutes
Motion to approve the minutes of the June 15, 2021 meeting as presented.
Motion: Tom Hutson
Second: Fred Huneke
Approved

III. Executive Director’s Report – Ryan Naatz
A. Program Report
   • The following Whole Farm Plan Revisions have been reviewed and approved by the Agricultural Committee for approval by the Executive Committee:
     1. Doug Merrill – DEC-144 – Revision 9 – Approved by Ag Program Committee on 6/8/21
     2. Raymond Buel – SCS-SF077 – Revision 6 – Approved by Ag Program Manager on 6/8/21
     3. Frederick Kuhn – DES-126 – Revision 11 – Approved by Ag Program Manager on 6/8/21
     4. Laura Phoenix – DEC-257 – Revision 10 – Approved by Ag Program Committee on 7/13/21
     5. John Shephard – DEC-311 – Revision 5 – Approved by Ag Program Manager on 7/13/21
   • The Ag Committee and staff have conducted their technical review and would like to move forward with these revisions. Based upon the recent questions raised during the audit and discussions with the ACCO and OEA there have been concerns expressed over

TDD 1-800-662-1220
Watershed protection through partnership.

af: 7/20/21
the approval thresholds, specifically the approval authority up to $200,000 threshold mark. DEP requested that WAC consider how that threshold was implemented and under what authority. In that regard there was further consideration given to the Board structure regarding committees of the Board (Easement, Executive, Finance, Council) and committees of the Corporation. Based on those concerns, Ryan thought it would be best suited to bring those recommendations to the Executive Committee today, and moving forward until the concerns raised can be resolved and codified in policies/procedures.

- The group discussed specific questions on the actual plans but the majority of the conversation focused on the fiduciary responsibility of the Board and how these approvals affect contract deliverables and compliance. Jeff stated that it is crucial for the Program to more closely consider the annual budgets and how that coincides with the workload as it is developed. Ryan added that there will always be fluctuation in costs throughout a fiscal year. Karl Gockel added that he feels the Phoenix project should not be considered a backlog project; he felt the original project should have been deleted from the backlog and this project added as a new BMP. Jeff mentioned that his approval today is to approve the project, but separately he is working on the reporting and metrics piece; this approval does not codify DEP’s support that this is in fact a backlogged BMP. Larry strongly feels this is a backlogged BMP as it still addresses the issue identified on the backlog.

**Motion to approve the revisions as presented and approved by the Agricultural Program staff and Committee.**

Motion: Karl Gockel  
Second: Fred Huneke  
Approved

Larry Hulle, Nate Townsend and Gibson Durnford left the meeting at this time.

- Ryan pointed out that it is important to recognize the responsibilities of the respective committees and to not get into the technical aspects that should be handled by the Ag Committee. The Executive Committee did a good job with that and he appreciates the Committee going through the efforts to improve the business process. Jeff restated the importance of that Program planning their workload across fiscal years and focusing on annual budgets and how they can manage that more closely. Ryan added that, pending outcomes of Jeff getting clarification on the reporting of what qualifies for a backlog item, he asked that it come back to Executive Committee for discussion first, prior to the Ag Committee. Jeff further explained that if the 2017 Backlog defined BMP projects as a moment in time with an estimated cost and if that significantly changes or multiple BMPs substitute, DEP needs to consider how that will be counted. Jeff added that the challenge is that Dep and WAC went through lengthy negotiations to get commitments on the backlog; understanding that things change, but a very specific funding calculation was utilized for the backlog list so more research needs to be done to determine what gets ‘credit’ on the backlog list.

### B. Operations Report

#### i. Payment Request/Financial Status

- Ryan provided updates on the status of payment requests:
  - CAT 403 #24 – with OEA. Awaiting receipt.
  - CAT 403 #25 – this is prepared but cannot be submitted until OEA completes their review of #24.
  - CAT 487 #8C – $0.00 payment, additional line h deduction incurred on this payment request.
- CAT 487 #8E – Received, originally for $2,131,346.00, WAC received $1,559,011.94 after a line h deduction.
- CAT 487 #9E – Has been submitted to OEA, currently under review.
- CAT 487 #9C – Worksheet completed, waiting on 8C to advance.

- Ryan stated that WAC is currently operating on line of credit for CAT 403 contract, current balance is $68,530.85.
- Ryan has not received the CAT 450 repayment extension requested of the ACCO. The original deadline date was 6/30/2021. The CAT 403 contract expires 12/31/2021, Ryan anticipates meeting with Dave Warne in the next couple of weeks to determine next steps for the Easement Program.

ii. Line H Deductions
- Jeff has reached out to OEA to get a better sense as to where resolutions on the line h deductions are. Fred asked what the time frame is on releasing deductions. Jeff responded that there is not a timeline he is aware of for the remittance of the money that is held based on line h deductions. There is no defined process where OEA acknowledges the documentation requested or the award of monies withheld. There are significant monies being held currently on the CAT 487 contract. The memo is issued and if it is resolved it just shows up without any documentation. The DC SWCD rental payment from January to March was paid in #8e, but future charges are not agreed upon at this time. Jeff further commented that the issues regarding related party transactions and conflicts of interest need to be resolved; he anticipates the position reflected in the Padilla audit will affect the next steps for the line h deduction regarding related party transactions.

iii. YPTC Update
- Ryan and WAC staff are working with YPTC on cash flow and projections, as well as the due to due from reconciliation. Amy provided additional update on the remaining tasks that YPTC is working with WAC on. Jeff stated that from DEP’s perspective, at the Bureau level, the biggest priority is to figure out the due to due from. Until that is resolved he feels WAC cannot move forward. There was discussion on the close-out of CAT 433 and Karl asked who was responsible within DEP to oversee and accept the closeout of CAT 433. Jeff responded that he worked with Thomas on that; the calculations were based on actuals, cash on hand and audited actuals and that he felt at that time, initially, the math seemed to add up. Ryan stated that once YPTC is comfortable with their findings on the due to due from they will present those, as well as their process to the group.

iv. 44 West Lease Update
- At this point WAC is handicapped to move in any direction until we know where DEP is at. Ryan met with Dave Warne on Friday and he expressed that the information being received to date will not suffice and that he would be reaching out to Larry Underwood to inform him of that. Paul Rush has reached out to Larry Underwood to communicate the position that without supporting documentation to justify the rate, DEP will not be able to approve a proposed rate. Ryan will draft a reply to SWCD as well. Fred asked if there is any discussion at DEP’s level on the seriousness and complexities of this, specifically political. Jeff responded that it is very complicated and everyone is aware of how complicated it is which is likely why it is taking such a long time to resolve. Fred doesn’t feel that it is as complicated and Bud added that the way SWCD is dragging their feet with providing requested documentation it is frustrating that it be allowed. Jeff responded that these things take time and just as DEP has worked with WAC in the past to resolve issues, DEP is trying to be patient with working through this issue with SWCD.

v. DEP Audit
- As Ryan mentioned earlier in the meeting, the WFP revision being brought to the Executive Committee was based on an initial audit red flag on the thresholds and the appropriateness of approvals of committees, conflicts of interests and related party transactions. However, the draft findings have been received from Padilla and the exit interview is scheduled for this Friday. Those findings do not note anything regarding thresholds, conflict of interest, or related party transactions in their reports. Jeff added that he believes what will emerge with...
regards to the conflict of interest and related parties transactions is further discussion regarding contract compliance, section 8.03. Amy responded that the Padilla & Company audit was presented to WAC as an audit of contract compliance.

vi. Staffing Updates

- Amy provided an update on staffing vacancies. She will be moving forward in the next month to backfill the Executive Assistant to the Easement Program, the Payroll, Fringe Benefits & Data Processing Administrator, the Finance Director and the Executive Director.

Ryan Naatz left the meeting at this time.

IV. Chair’s Report – Bud Gladstone

A. Executive Director Position

Amy reported that the final position description will be presented to the Council at next week’s meeting for approval; once approved the position will be advertised. The Finance Director position will also be presented for approval next week and advertised along the same timeline as The Executive Director.

V. Motion to go into Executive Session to discuss the Executive Director Evaluation.

Motion: Jeff Graff
Second: Tom Hutson
Approved

Motion to come out of Executive Session.

Motion: Dave Cammer
Second: Fred Huneke
Approved

VI. Adjournment

Motion to adjourn at 11:40am

Motion: Dave Cammer
Second: Fred Huneke
Approved