



Marion Soil and Water Conservation District (MSWCD) Administrative Committee Meeting Minutes February 14, 2025

9:00 AM to 10:30 AM

Facilitator: Brenda Sanchez

Recorded by: Linda Lovett

Approved:

Committee Member Attendance

Angela Plowhead (Committee Chair) - Director	Present
Peggy Hart - Director	Present
Brenda Sanchez – District Manager	Present
Linda Lovett – Financial Administrator	Present
Darin Olson – Director	Present

Staff

Guests

Name

Name

Note: All documents and materials displayed or referenced are retained in the Administrative Committee Meeting file at the Marion Soil and Water Conservation District (Marion SWCD or District).

Minutes

Call to Order-Chair: 9:04 AM

Announcements - None

Agenda Additions or Changes – Elect a chair

Public Comment – No Comments

1. Elect a Chair

Sanchez noted that since it is a new year the Committee should name a new Chair; the roster is unchanged. With Plowhead's move into a Director position there are now three Directors on the Committee but that does not constitute a quorum of the Board.

Action: Hart nominated Plowhead for Chair of Committee, 2nd by Olson. No further discussion. MOTION PASSED (Aye-5 [Sanchez, Olson, Plowhead, Lovett, and Hart], Opposed-0).

2. Board Updates on Committee Recommendations

Sanchez reported that the Board adopted the Retention Policy and Workers Compensation for Directors at its February meeting. We have now completed the first set of priority policy work. Tom Wilson is updating the policy binder. The Board also had

questions about the Conservation Assistance Grants (CAG), which it referred to the Admin Committee (see next item).

3. Grant Terms Entity and Limitation Cap

Sanchez provided background: during the last CAG cycle, there were concerns raised regarding the definition of an entity and how the limitation cap applies to individuals versus an entity. There was also a concern that there might be a conflict of interest if an applicant is also the vendor receiving the funds for materials and services. Hart drafted the document in the packet summarizing the issues and led the discussion

Conflict of interest: Walker's concern is that the costs associated with a grant are provided by the applicant instead of calculated by staff. If a person has a company that provides services to himself, he might inflate the costs. Walker's proposed remedy would be to require the cooperator to provide cost estimates from a vendor not related to him, using the State definition of related. Hart suggested that the District request a competing bid. Walker suggested we develop a policy not to accept bids from vendors that are related to the grantee to be sure we are being careful with public money. Plowhead noted that a grantee that is also a vendor might prefer to use their own product. However, we could require a second quote to check the legitimacy of the costs. Olson noted that getting quotes on such projects is not easy. There are only three or four companies that could give a quote, and it could take weeks. Not many companies want to give multiple quotes. There are also details that can change the cost significantly from one vendor to the next, so it's hard to do apples-to-apples comparisons.

Ortiz said currently none of the District's grant programs require a quote. The District adopted NRCS cost scenarios, which we consider the standard rates. USDA updates them annually. All the grants under discussion have been run through NRCS cost scenarios multiple times and all fell within the NRCS expected cost. In response to Walker's question, Ortiz confirmed that NRCS cost scenarios provide full cost of both matching activity and of materials. She also said it is not an unusual circumstance for applicants to be vendors. For example, on partner grants, there are applicants that provide plants from their own nurseries, use their own work crews, etc. CLEAR grant applicants are schools that use their own buses and staff.

Plowhead said that, since NRCS analysis is already being done, we should make it part of the policy that the Board have access to that analysis. The cost analysis has not been included in the information forwarded to Board members who review the grants. She also noted that, with every grant that we give, there is a secondary gain. The applicant gets the grant, then they also benefit in some other way, for example a farmer or homeowner whose property value increases. She does not think this problem since it is inherent in every grant that we give.

Hart asked Sanchez if there is potential for a legal necessity. Sanchez said she believes the grants are subject to public contracting law, which requires an expense exceeding \$25,000 to be selected by cost, product, reputation, etc. This would apply to our large grants of \$30,000. Hart suggested getting clarification on the legal questions and then if the District is in a situation that makes it subject to public contracting law we can fold

that into the application process. She asked that Sanchez pursue this for the Committee. Walker said he would like a walk-through from NRCS staff to learn more about their cost analysis process to ease his concerns about possible conflicts of interest.

Background on Grant Terms: Ortiz reviewed the Grant Limitation Policy, which defines an “entity.” All grant applications ask the applying organization to select an entity type. Not all entities are eligible, and there are different rules for different entities (e.g., businesses, non-profits, tribes). Entity must have unique tax identification number. Ortiz described various examples of entities that have received District grants.

Plowhead noted that on one grant application of concern the applicant was an agent, a landowner, and a business owner. She suggested that the application ask people applying for multiple grants under the same or a different entity to explain the association between the entities and how each project is impacted by the various grants. It would help with Board decision making to have more information about who is applying for grants, such as whether someone is applying for themselves or a different entity, and whether an applicant is approaching or has already reached the grant limit. Hart noted, and Ortiz confirmed, that most of this information is being collected and provided to the review committees, but it is not going to the Board.

Ortiz said the cap is not based on the landowner but on the entity as defined in the grant limitation policy, so a landowner who has projects on two different properties has a cap on each one. Plowhead said her concern was that one landowner could benefit from the grant process on multiple properties. It does not seem like a fair process if one person is financially benefitting from taxpayer money because they have multiple LLCs. Walker said he shared Plowhead’s concern about whether the District is being “gamed.” The concept of entity is too malleable and open to interpretation. We need to be good managers of public money and make sure we are doing things consistent with our mission. Individual Board members want a better idea of what they’re voting on.

Hart asked Ortiz how she responds if she perceives that this is happening. Ortiz said she follows the policy, which is based on the organization, not the landowner. Some owners have multiple land holdings that they lease to different entities. She also noted that it is not inexpensive to create a legal entity. It costs thousands of dollars to create the business and maintain all the legally required filings with the state and federal government. This could be a barrier to someone trying to game the grant system.

Sanchez and Ortiz wanted to better understand what the Board desires to see. Ortiz asked if the Board is comfortable with the current policy as long as the people vetting grants have an increased awareness of potential abuses or if the Board wants to revise the policy. There needs to be a clear motion by the Board. However, if the primary concern is the large grants, the Board should address that concern separately. Walker concurred. Ortiz encouraged anyone who has questions on grants to reach out before the Board meeting.

Sanchez said she is working on language to clarify the roles of individuals and whether they have received previous awards. She will work with Ortiz to make sure the entity list

is clear. She shared that NRCS uses “person or legal entity” in its language on payment restrictions.

To move forward, Hart asked how we might amend the CAG application to include the questions that have come up in discussion. Plowhead recommended changing the application to clarify that the cap applies to individuals AND any entities they represent. The grant belongs to whoever the landowner is. When reviewing an application, Board members need to know what the caps are for that individual and the related entities.

Olson said he was unsure about how to apply this fairly. Should grant eligibility be based on the percentage ownership of a business? Landowners need to apply, not farm managers, because the grant creates value for the landowner. The application process needs tweaking, but we don’t want to make it too complicated. Hart added that we don’t want to get between the manager and the owner. The manager may have latitude from the owner to make the decisions. The owner may not even live in the state. If the manager is the one applying, we could ask if they are acting on behalf of the owner and if that individual has at least 51% ownership of the property.

The Committee requested that Sanchez work with Ortiz and Olson to develop clarifying language to take to the Board in March, with the goal of being ready for the next rounds of awards. Hart suggested she and other Directors on the Admin Committee read the draft and provide comments to work out any differences before the meeting.

Updated Policy Work

Deferred to March meeting.

Tuition-Training Policy

Deferred to March meeting.

Salary Administration Plan

Deferred to March meeting.

Spending Outside the District Boundary

Deferred to March meeting.

Meeting Dates for 2025

Deferred to March meeting.

Adjourn: Chair Plowhead adjourned the meeting at 10:29 AM



Marion Soil and Water Conservation District complies with the American with Disabilities Act (ADA) and does not discriminate based on race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. If special physical, language, or other accommodation is needed for this meeting, please contact the District Manager at 503-391-9927 as soon as possible, and at least 48 hours in advance of the meeting.