

Minutes of the Board Meeting of April 7, 2003

This quarterly meeting of the board of directors of the Western Cave Conservancy was held, pursuant to notice duly given to the directors, on Monday, April 7, 2003 at the home of Vice-President Rolf L. Aalbu, 18 Sea Lion Court, Sacramento, California 95831.

ATTENDEES

Rolf L. Aalbu, Director/Vice-President
Joel D. Despain, Director (via speakerphone)
Robert C. "Martin" Haye, Director/Treasurer
Jerald J. Johnson, Director
Marianne L. Russo, Director/President
Daniel S. Snyder, Secretary

President Marianne Russo called the meeting to order at 7:10 p.m.

AGENDA (ATTACHMENT A)

Approved with additions to subjects to be discussed in Committee of the Whole.

MINUTES OF JAN. 12, 2002 (ATTACHMENT B)

Approved without correction.

REPORT OF THE PRESIDENT (ATTACHMENT C)

The President postponed her report until the end of New Business.

REPORT OF THE VICE PRESIDENT

The Vice President had no report.

REPORT OF THE TREASURER (ATTACHMENT D)

REPORT OF THE SECRETARY (ATTACHMENT E)

NEW BUSINESS

Resolved: That Bruce W. Rogers be appointed to serve on the board filling out the vacant one-year term ending January 12, 2004.

Resolved: That Rolf Aalbu, Dan Snyder, Bruce Rogers, Paul Greaves and Bill Frantz be nominated and appointed to the Land Research Advisory Committee; and further, that Rolf Aalbu be appointed interim chair of said committee pending the election by its members of a permanent chair.

Resolved: That nominees Don Dunn, Dan Snyder, Matt Bowers and John Hargreaves be appointed to the Public Relations Advisory Committee; further, that Bill Papke be nominated and appointed; and further, that Don Dunn be appointed interim chair of said committee pending the election by its members of a permanent chair; further that the Secretary provide to the interim chair all notes of

discussions held by directors regarding WCC's plans for the 2003 NSS Convention, as well as all other materials pertinent to the work of the committee.

Resolved: That Marianne Russo, Rolf Aalbu, Joel Despain and Dan Snyder be nominated and appointed to the Land Acquisition Advisory Committee; and further, that Dan Snyder be appointed interim chair of said committee pending the election by its members of a permanent chair.

Resolved: That the board approve an offer of _____ for the entire parcel of 15.06 acres (Amador County APN _____) located on _____ and containing Rippled Cave. This offer will be prepared by Central Pacific Land Acquisition Manager Richard Sundquist, signed by WCC President Marianne Russo, and accompanied by a check for \$1000.00 made payable to the First American Title Company and sent to _____ of Danville, CA. Mr. _____ is one of four joint tenants and the designated representative of the owners. Rich Sundquist will precede the written offer with a phone call to Mr. _____. A \$1000.00 deposit to the WCC account will be made by individual loan to be reimbursed upon the close of escrow or as soon as the offer shall be refused.

Resolved: That the Conservancy adopt the financial controls in Attachment A to the Agenda, as modified (**Attachment F**).

Resolved: That the Western Cave Conservancy hereby offers its encouragement and support for the Cave Conservancy of Hawai'i in our common goal of protecting caves in the far West.

Resolved: That when publishing the corporation's minutes on the web site or otherwise, cave location information be expunged, and that in the case of especially sensitive cave names the names be replaced by numeric or alpha-numeric codes.

Resolved: That the matter of appropriate material on the web site be referred to the Public Relations Committee in order to develop a working policy that the conservancy can move forward with.

Resolved: That the minutes of the meeting of April 7, 2003, omit information pertaining to financial details of ongoing negotiations.

Resolved: That regular meetings of the directors apart from the annual meeting specified in the corporation's bylaws shall occur at quarterly intervals on or around the second Sunday of April, the second Sunday of July, and the second Sunday of October.

Resolved: That the Secretary shall maintain a list of directors and committee members with contact information for same.

Resolved: That the Secretary shall send out a template agenda with a summary of some relevant issues one to two weeks prior to each regular board meeting.

Resolved: to break for 5 minutes then seat the Committee of the Whole until 10:00 p.m.

[Joel Despain absent after end of New Business]

COMMITTEE OF THE WHOLE

The committee was seated at 9:46 p.m. and rose at 11:02 p.m. Subjects discussed included mission statement brainstorming, vision and fundraising brainstorming, logging hours spent on WCC business, summary of convention planning ideas to date, logging substantive phone calls.

OTHER NEW BUSINESS

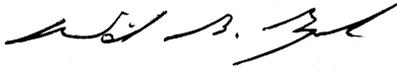
Resolved: That Don Dunn, Martin Haye, Marianne Russo and Joel Despain be nominated and appointed to the Fundraising & Development Committee; and that Don Dunn be appointed interim chair of said committee pending the election by its members of a permanent chair; and that _____ and _____ be nominated and appointed if they accept the nomination.

ADJOURNMENT

On motion of Jerry Johnson, the meeting adjourned at 11:05 p.m.

6 attachments

I certify that the above is, to the best of my knowledge, the true and complete record of business conducted at the quarterly meeting of the Board of Directors of the Western Cave Conservancy held on April 7, 2003. Minutes appearing on the web have been abridged to omit private or proprietary data.

A handwritten signature in black ink, appearing to be "W. S. Z.", is written on the page.

Final Agenda for the Meeting of the Board of Directors of April 7, 2003

CALL TO ORDER

APPROVAL OF THE AGENDA

APPROVAL OF THE MINUTES

REPORT OF THE PRESIDENT

REPORT OF THE VICE PRESIDENT

REPORT OF THE TREASURER

REPORT OF THE SECRETARY

REPORT OF THE NOMINATING COMMITTEE

NEW BUSINESS

Martin Haye moves: That Bruce W. Rogers be appointed to serve on the board filling out the vacant one-year term ending January 12, 2004.

Martin Haye moves: That Rolf Aalbu, Daniel Snyder, Bruce Rogers, Paul Greaves and Bill Frantz be nominations and appointed to the Land Research Advisory Committee; and further, that Rolf Aalbu be appointed interim chair of said committee pending the election by its members of a permanent chair.

Martin Haye moves: That nominees Don Dunn, Marianne Russo, Martin Haye, Dan Snyder, Joel Despain, Matt Bowers and John Hargreaves be appointed to the Public Relations Advisory Committee; further, that Bill Papke be nominated and appointed; and further, that Don Dunn be appointed interim chair of said committee pending the election by its members of a permanent chair; further that the Secretary provide to the interim chair all notes of discussions held by directors regarding WCC's plans for the 2003 NSS Convention, as well as all other materials pertinent to the work of the committee.

Martin Haye moves: That Marianne Russo, Rolf Aalbu, Joel Despain and Dan Snyder be nominated and appointed to the Land Acquisition Advisory Committee; and further, that Dan Snyder be appointed interim chair of said committee pending the election by its members of a permanent chair.

Marianne Russo moves: That the board approve an offer of \$ _____ for the entire parcel of 15.06 acres (Amador County APN _____) located _____ and containing Rippled Cave. This offer will be prepared by Central Pacific Land Acquisition Manager Richard Sundquist, signed by WCC President Marianne Russo, and accompanied by a check for \$1000.00 made payable to the _____ Title Company and sent to _____ of Danville, CA. Mr. _____ is one of four joint tenants and the designated representative of the owners. Rich Sundquist will precede the written offer with a phone call to Mr. _____. A \$1000.00 deposit to the WCC account will be made by individual loan to be reimbursed upon the close of escrow or as soon as the offer shall be refused.

Martin Haye moves: That the Conservancy adopt the financial controls specified in the attachment to the Treasurer's Report.

Martin Haye moves: That the Western Cave Conservancy hereby expresses support for the Cave Conservancy of Hawai'i and the desire to share information and resources to further their common cause of protecting caves in the far West.

Martin Haye moves: That the President be authorized to open communications with the Escabrosa Grotto and Southern Arizona Grottos, both in Tucson, with the following objectives:

- 1- to introduce the Western Cave Conservancy and to invite the involvement of Arizona cavers;
- 2- to emphasize that, while the WCC began in California and is presently composed of persons most familiar with California caves and the threats facing them, we are very open to expanding our horizons as far east as Arizona if Arizona cavers desire it. If such interest exists, we foresee a relationship whereby the WCC can aid Arizona cavers' efforts to protect privately-owned caves by offering the advantages of our 501(c)(3) status, our web site and other public forums, and centralized management of the bureaucratic aspects of non-profit cave ownership, such as property tax exemptions, federal and state tax returns, general liability insurance, and complicated transactions such as bargain sales with donations of remainder interest and conservation easements. We propose that such local matters as landowner relations and the development and enforcement of cave management plans remain local, conducted by local cave preserve managers and management committees composed of Arizona cavers and speleologists.
- 3- to alert southern Arizona cavers to an urgent opportunity to purchase a small, biologically significant cave located on 5 acres on the _____ road and presently offered at \$ _____ ;
- 4- to learn whether this cave is perceived by local cavers to have enough significance that funds sufficient to acquire it could be raised within the southern Arizona caving community;
- 5- to learn whether other significant non-commercial caves exist on private land in Arizona and whether the Conservancy's efforts might be better directed at those properties.

Joel Despain moves: That regular meetings of the directors apart from the annual meeting specified in the corporation's bylaws shall occur at quarterly intervals, as follows: the second Sunday of April at 2 p.m., the second Sunday of July at 2 p.m., and the second Sunday of October at 2 p.m.

Martin Haye moves: That the Secretary shall maintain a list of directors and committee members with contact information for same.

Marianne Russo moves to seat the Committee of the Whole until _____ p.m.

COMMITTEE OF THE WHOLE

Mission Statement development

Focus session on short-range goals, property selection criteria

Discuss need to log hours spent on WCC business

State tax-exempt application review

Review of ideas for NSS convention reception

Review of donor acknowledgment form letter

Committee rises at _____ p.m.

ANNOUNCEMENTS

ADJOURNMENT

Minutes of the Annual Meeting of January 12, 2003

The first annual meeting of the Western Cave Conservancy, was held pursuant to notice duly given to the directors on Sunday, January 12, 2002 at California State University, Sacramento, 6000 J Street, Sacramento, CA, in Mendocino Hall, Room 4005. The facilities were provided courtesy of Jerry Johnson and CSU Sacramento.

ATTENDEES

Directors and Officers:

Rolf L. Aalbu, Director/Vice-President
Robert C. "Martin" Haye, Director/Treasurer
Jerald J. Johnson, Director
Marianne L. Russo, Director/President
Daniel S. Snyder, Secretary

Guests:

Dave Cowan (via speakerphone)
Don Dunn
Bill Frantz
Peri Frantz
Kathy Greaves
Paul Greaves
Pat Helton
Bruce W. Rogers
Bill Papke

President Marianne Russo called the meeting to order at 2:02 p.m.

AGENDA (ATTACHMENT A)

Martin Haye moved to correct the date of the agenda from Jan. 2 to Jan. 12, 2003. Motion carried.

Marianne Russo moved to approve the corrected agenda. Motion carried.

MINUTES OF SEP. 7, 2002 (ATTACHMENT B)

The Secretary corrected the meeting location from Ash Meadows to Ash Mountain

Martin Haye moved to amend the minutes to include dispositions of motions regarding NSS convention planning. Motion carried.

Rolf Aalbu moved to correct his middle initial from "A" to "L" in the bank account resolution. Motion carried.

Martin Haye moved to approve the corrected and amended minutes. Motion carried.

REPORT OF THE PRESIDENT (ATTACHMENT C)

REPORT OF THE VICE PRESIDENT

The Vice President reported his attendance at the June planning meeting and the inaugural board meeting in September. He was also present at the NSS Western Region meeting to support the President during her presentation and subsequent announcement.

REPORT OF THE TREASURER (ATTACHMENT D)

REPORT OF THE SECRETARY (ATTACHMENT E)

NEW BUSINESS

Martin Hays moved to recess for 10 minutes; carried at 2:38 p.m.

Marianne Russo called the meeting back to order at 2:50 p.m.

Rolf Aalbu moved to suspend the order of business and postpone the motion to open the Committee of the Whole to the end of new business. Motion carried.

Marianne Russo moved “to adopt *Robert’s Rules of Order: The Modern Edition* (1989 Patnode) as the rules of order of the Western Cave Conservancy; and further, that questions of order not able to be addressed by that manual be referred to *Robert’s Rules of Order Newly Revised* 10th ed. (Robert et al.), to be kept by the Chair.” Motion carried.

The following motion by Marianne Russo was carried:

To adopt the following special rules of order to replace the analogous rules specified by the adopted edition(s) of Robert’s Rules of Order:

- 1) Rather than rise to obtain the floor, a member should raise a hand or finger, addressing the chair by name only if no other director has the floor. The chair recognizes the member by announcing his or her name.
- 2) The general method shall be permitted for all business except for motions requiring prior notice.
- 3) A meeting of the board of directors and the period between its adjournment and the next regular meeting of the board shall be considered a *session* as far as concerns the rules of order; a session is adjourned by the call to order of the next meeting, which commences a new session.
- 4) Voting may be conducted by a show of hands where the normal rules of order indicate rising from one’s seat.
- 5) Meetings in committee may be conducted informally if the board of directors has not instructed the committee otherwise.
- 6) The Chair may recognize any person in attendance at a meeting regardless of membership if such recognition is in order. Non-members occupy the floor at the sole discretion of the Chair and may neither introduce motions nor vote.
- 7) The President may take part in discussion and votes pertaining to a motion unless the discussion becomes a debate between opposing positions, at which point the President must withdraw from the debate or vacate the Chair, an impartial member occupying the Chair until the pending motion has been disposed of, in accordance with the regular rules of order.

Marianne Russo moved “to create a standing Nominations Committee, to be comprised of the directors and any interested members of the public. The committee shall elect a chair from among its members who shall present the reports of the committee, in person or in writing, to the board as may be directed from time to time.” Motion carried.

Marianne Russo moved “to expand the board of directors by one director, referring the matter of nominations to the Nominations Committee, which is directed to supply a slate of nominees for the next quarterly meeting of the directors.” Motion carried.

A motion by Marianne Russo was amended on motion by Martin Haye and adopted as follows:

To create a standing Land ~~Inventory & Evaluation~~ *Research* Advisory Committee with the following instructions:

- 1) The mandate of the committee is to develop a confidential and secure database of all known caves located on private lands in the states of California, Oregon, Washington, Arizona, Nevada and Idaho. The database should include for each cave singly and for each parcel a numeric rating of significance with respect to the significant cave criteria developed for the administration of the Federal Cave Resources Protection Act of 1988.
- 2) The committee shall develop a model using the above database whereby property acquisitions can be prioritized, including the ability to consider such factors as significance, imminent threats, local development trends posing future threats, potential for habitat restoration, opportunity, price, and the possibility of cooperative action with other land protection organizations.
- 3) Members of the committee shall be appointed by the board of directors from among interested and qualified members of the public, acceptable qualifications to include broad knowledge of the caves of the states in question, professional-level knowledge of database design and maintenance, or professional credentials in the earth sciences, hydrology, biology, archeology, paleontology, or other sciences relevant to evaluating the significance of caves of the target area.
- 4) The committee shall elect a chair from among its membership who shall provide a written report of the committee’s activities, progress and recommendations to the board of directors at its quarterly meetings.
- 5) Each member of the committee shall sign a non-disclosure agreement limiting dissemination of information in the database to members of the board of directors and to such committees or individuals as a future policy of the board may designate; notwithstanding that individuals supplying data to the committee retain full use of such data as they already possess.
- 6) The board of directors retains the right to appoint and remove members of the committee without notice and for any reason.

A motion by Marianne Russo was amended on a motion by Rolf Aalbu and adopted “to refer nominations to the Land Research Advisory Committee to the Nominations Committee, which is directed to report back with a slate of nominees ~~for the next quarterly meeting of the board of directors~~ *no later than February 28, 2003.*”

A motion by Marianne Russo was amended on a motion by Rolf Aalbu and adopted as follows:

To refer the subject of property acquisitions to a Land Acquisition Advisory Committee with the following instructions:

- 1) The mandate of the committee is to act as liaison between the board of directors and the owners of properties identified as desirable acquisitions, building trust and negotiating transaction such as purchases, leases, easements and donations of real estate.
- 2) The committee shall consist of no fewer than three (3) individuals who need not be members of the board of directors.

- 3) Committee members shall be appointed by the board of directors from among interested members of the public.
- 4) Three members of the committee shall be designated by the board of directors as Acquisition Managers who shall each be responsible for initiating communication and negotiations with landowners within a given territory, to wit:
 - a) The Acquisition Manager for the Pacific Northwest shall be responsible for ~~the states of Oregon, Washington and Idaho~~ *a territory to be defined more precisely by the committee.*
 - b) The Acquisition Manager for the Central Pacific shall be responsible for ~~the states of California and Nevada from their northern borders south to the latitude of Santa Cruz, California~~ *a territory to be defined more precisely by the committee.*
 - c) The Acquisition Manager for the Southwest shall be responsible for ~~the states of California and Nevada from the latitude of Santa Cruz, California, south to their borders, and for the state of Arizona~~ *a territory to be defined more precisely by the committee.*
- 5) The Acquisition Managers may delegate portions of their responsibilities to other committee members or volunteers and are encouraged to do so.
- 6) The committee shall elect a chair from among its membership who shall provide a written report of the committee's activities, progress and recommendations to the board of directors at its quarterly meetings.
- 7) The committee shall utilize data from the Land Research Advisory Committee to develop a land acquisition strategy.
- 8) The committee shall act in accordance with such instructions as may be given it by the board of directors.
- 9) The committee shall develop an annual budget to be presented to the board of directors at its summer quarterly meeting, for adoption at the annual meeting in January.
- 10) The committee is instructed to initiate contact with the owners of a certain 15-acre parcel of land in Amador County, California, containing Rippled Cave, for the purpose of acquiring the cave on said land, no purchase agreement to be signed until the Conservancy has obtained from the IRS an advance ruling of 501(c)(3) status, expected before May. Negotiations shall be limited to the following options:
 - a) Acquire the whole property for a price not to exceed \$65,000.
 - b) Acquire the largest portion possible that overlies the cave and its projected extension to the north, for a price not to exceed \$5,000 per acre, the costs of splitting to be borne by the owner.
 - c) Acquire the smallest portion possible that overlies the entire known cave, for an amount equal to or slightly in excess of the cost of splitting the property into four or fewer parcels.
- 11) The committee is authorized to negotiate on behalf of the Conservancy with the owner of a certain parcel in San Diego County containing Lawrence Welk Cave, for the donation of that cave to the Conservancy.
- 12) The board of directors retains the right to appoint and remove members of the committee without notice and for any reason.

Marianne Russo moved “to invite Rich Sundquist and Tom Gilleland to sit on the Land Acquisition Advisory Committee as the Acquisition Managers for the Central Pacific and the Southwest, respectively.” Motion carried.

Marianne Russo moved “to refer nominations for the Pacific Northwest Acquisition Manager to the Nominations Committee.” Motion carried.

A motion by Marianne Russo was adopted as follows:

To create a standing Fundraising & Development Advisory Committee comprised of the board of directors and interested members of the public, with the following instructions:

- 1) The mandate of the committee is to identify and develop funding sources for both the Conservancy’s program services and for the administration of the Conservancy’s business.
- 2) The committee shall elect a chair from among its membership who shall provide a written report of the committee’s activities, progress and recommendations to the board of directors at its quarterly meetings.
- 3) The committee shall have responsibility for writing grant proposals and for donor contacts other than general fundraising publicity.
- 4) The committee shall work jointly with the Public Relations Advisory Committee to develop general fundraising literature and solicitations to the general or interested public.
- 5) The committee shall develop an annual budget to be presented to the board of directors at its summer quarterly meeting, for adoption at the annual meeting in January.
- 6) The committee is particularly and urgently directed to research and develop the capability to write grants.
- 7) The board of directors retains the right to appoint and remove members of the committee without notice and for any reason.

Marianne Russo moved “to refer nominations to the Fundraising & Development Advisory Committee to the Nominations Committee.” Motion carried.

A motion by Marianne Russo was adopted as follows:

To create a standing Public Relations Advisory Committee, composed of the directors and interested members of the public, with the following instructions:

- 1) The mandate of the committee is to develop the Conservancy’s interface with the interested and general public.
- 2) The committee shall elect a chair from among its membership who shall provide a written report of the committee’s activities, progress and recommendations to the board of directors at its quarterly meetings.
- 3) The committee shall have the power to establish subcommittees to delegate its work and shall appoint chairs or officers to those committees according to titles of the committee’s choosing (e.g. Webmaster, Newsletter Editor, etc.).

- 4) The committee shall develop a web site accessible to the general public, containing general information, announcements, and public records of Conservancy business, the design and content subject to the approval of the board of directors.
- 5) The committee shall establish a moderated email list open to interested members of the public for announcements, agendas and minutes of meetings, a newsletter and discussion.
- 6) The committee shall develop and publish a newsletter to be published on the Conservancy's web site and on its email list.
- 7) The committee shall develop a variety of promotional literature in cooperation with the Fundraising & Development Committee, subject to the approval of the board of directors.
- 8) The committee shall develop logos, letterhead(s) for business correspondence, and such symbolic devices as may be required for the business of the Conservancy.
- 9) The committee shall have primary responsibility for organizing special events and coordinating the Conservancy's presence at public events.
- 10) The committee is charged particularly and urgently with developing the Conservancy's activities at the NSS National Convention in Porterville, August 4-8, 2003.
- 11) The committee shall develop an annual budget to be presented to the board of directors at its summer quarterly meeting, for adoption at the annual meeting in January.
- 12) The committee shall not offer benefits to members or supporters that conflict with tax law regarding charitable donations.
- 13) The board of directors retains the right to appoint and remove members of the committee without notice and for any reason.

Marianne Russo moved "to refer nominations to the Public Relations Advisory Committee to the Nominations Committee." Motion carried.

Marianne Russo moved "to affiliate with the NSS Cave Conservancies Committee." Motion carried.

On motion of Martin Haye, the question of whether "to adopt interim letterhead" (Attachment G) was postponed to the end of new business to allow those present an opportunity to view it in color on his computer.

On motion of Martin Haye, the "form of donor acknowledgement" (**Attachment F**) was referred back to the secretary for revision, to be acted on by the board via email.

Marianne Russo moved "to direct the Secretary to research purchase of a non-profit bulk mailing permit and to report his findings at the next quarterly meeting of the board." Motion carried.

Marianne Russo moved "to apply the attached expense receipts of directors to directors' pledges." Motion carried.

Martin Haye moved "to adopt interim letterhead" (**see letterhead on first page**). Motion carried.

Martin Haye moved to lay on the table the question "to set date and time of next quarterly meeting to March _____ (date) at _____ (time) at the corporation's office at 213 Elm Street, Santa Cruz, California" until all directors' availabilities can be ascertained. Motion carried.

Marianne Russo moved to open the Committee of the Whole for general and public discussion until 6:00 p.m. Motion carried.

COMMITTEE OF THE WHOLE

Marianne Russo explained to the guests the rationale for conducting meetings as formally as we have elected to do.

Dave Cowan related his experiences with obtaining liability insurance for the West Virginia Cave Conservancy, and the present impossibility of obtaining liability insurance on caves through the Land Trust Alliance's carrier.

Bruce Rogers suggested minor modifications to the letterhead design and offered ideas for adapting the letterhead logo as a symbolic device.

Peri Frantz asks what properties are initially being targeted for acquisition, spurring a lengthy discussion of potential purchases and the Conservancy's acquisition philosophy.

Throughout the discussions the participants expressed strong support. Dave Cowan encouraged the Conservancy to take out loans to buy property, stating that if we bought a cave, the money would "come rolling in." This has been the experience of the Southeastern Cave Conservancy. Dan Snyder brought up the Pacific Slope Cave Acquisition Fund, which we expect to fund our first property.

Peri Frantz concurred with Marianne's comments about the need for formal procedures in an organization that expects to handle large amounts of money and hold substantial property.

Peri then led a fruitful discussion on our plans for the NSS convention.

A motion by Rolf Aalbu "to recess for 10 minutes" was adopted at 4:40 p.m.

Upon returning, Rolf gave a brief presentation on the preservation of biodiversity in caves, with an emphasis on cave-adapted endemic invertebrates found even in tiny caves. He pointed out that the size of a cave is irrelevant to its biological importance.

Jerry Johnson followed with a slide lecture on the archaeology of Ponderosa Cave, Calaveras County, California. Jerry emphasized that the potential archaeological importance of relatively small caves like Ponderosa should not be underestimated. Although this cave is on a small parcel of BLM land, it might have been transferred to private hands through a land swap, had cavers not recognized its significance. Where BLM is unable to manage such scattered parcels, the WCC may have a role.

ADJOURNMENT

On motion of Martin Hays, the Committee of the Whole rose and the meeting adjourned at 5:50 p.m.

6 attachments

I certify that the above is, to the best of my knowledge, the true and complete record of business conducted at the first annual meeting of the Board of Directors of the Western Cave Conservancy held on January 12, 2003.



Daniel S. Snyder, Secretary

Report of the President April 7, 2003

Marianne L. Russo, (916) 663-2571, mrusso@westerncaves.org

[Taped report paraphrased by Secretary]

CONVENTION PARTY ANNOUNCEMENT IN NSS NEWS

When we received 501(c)(3) status from the IRS, I sent a notice to the *NSS News*, and had also intended to submit a notice in the *News* announcing our convention party. When, however, I learned from editor Dave Bunnell that he had no room for additional material in the issue in which the first announcement was to run, I pulled it with the intent of combining both announcements into a brief article to be submitted for the next issue of the *News*. I'll email this to the PR Committee for approval prior to submission.

TWO CONVERSATIONS WITH TOM GILLELAND

Tom has accepted the position of Southwest Land Acquisition Manager. He has many contacts with cavers and landowners in southern California.

Tom spoke with the owner of Lawrence Welk Cave last week to obtain some of the details we had requested. The property in question embraces two parcels, one of 26 acres and the other a single acre. The surrounding property has been or is being developed.

The 26-acre parcel contains about 80% of the cave and has been designated open space by the owner. Tom did not specify the mechanism by which the land has been protected. The one-acre parcel is at the upper end of the 26 acres and comprises the best public access to the cave. The latter parcel is developable and the owner has attempted to sell it for \$100,000+ for over ten years without success.

The cave is heavily visited and vandalized, although being a granite cave these impacts may be mitigable.

The owner is preparing several adjacent lots for a luxury development and will be seeking a tax write-off at the end of this year or next. At that time, he may be interested in donating the 26-acre parcel to the conservancy.

The cave has no known biological significance. Prehistoric rock art is known in the immediate vicinity, and the perennial stream suggests aboriginal sites may be present. The surrounding area has spectacular cliffs and the recreational value of the property is high. However, the heavy use may be beyond our ability to manage.

Tom has also learned of a previously unreported cave located on a 100-acre ranch slated for development.

Report of the Treasurer April 7, 2003

Robert C. "Martin" Haye, (831) 421-0430, mhay@westerncaves.org

BALANCE SHEET

This report and the next assume the board will approve several expense reports that have been submitted. Things to note:

- Our checking account balance exceeds our liabilities, meaning WCC is currently solvent.
- We have a pledge for \$250 that will help at some future time.

INCOME & EXPENSES REPORT

Two columns are shown: first, transactions through the end of last fiscal year (Dec 31 2002), and second, the transactions from this year (through Mar 31 2003). The report is self-explanatory.

NEW FORM

I've created a Gift Report Form, used to report expenses or services donated to the Conservancy (i.e. no reimbursement is required.)

BANK ACCOUNT

Vice President now has an ATM card for the checking account.

IRS PUBLIC CHARITY APPLICATION

We have received our determination letter from the IRS acknowledging our 501(c)(3) status, and it came sooner than expected. Donors may now write off gifts on their federal income taxes.

CALIFORNIA PUBLIC CHARITY APPLICATION

I have just completed a draft of California Form 3500 and associated attachments. These will need to be reviewed by the board members and the secretary, and then I will send it. The state usually processes these within a month. The application fee is \$25.

RAFFLES

There has been some discussion of a possible raffle at the 2003 NSS Convention. Unfortunately, the state of California carefully regulates raffles as a form of "gambling". WCC will be able to hold raffles subject to some minor restrictions, but must apply for permits for the entire year at once (those years being September through August). So it's too late to apply for a raffle this August.

STATE OF THE BOOKS

I resolved how to deal with auction donations in our books, and after deciding what expenses to pay I can produce our final statements for year 2002.

ANNUAL FINANCIAL STATEMENT

I resolved how to deal with auction donations in our books, and after deciding what expenses to pay I can complete and certify our annual financial statement for year 2002.

One of the new Mother Lode Grotto members is a CPA. He has indicated he might be willing to perform our financial audits pro-bono. This would save \$2000-3000 per year.

TAX RETURN

I have not yet filed the annual tax return (Form 990), but I will do so before the deadline (May 15).

UPCOMING TASKS

I'll continue to maintain the corporation's books as receipts and expenditures come in.

Pending board approval, I'll get myself removed as a signatory on the checking account, and I'll set up the infrastructure for the new financial controls.

After review I will file the State tax-exemption form.

We need to obtain a sales tax license from State Board of Equalization before the NSS convention, so that we can legally sell t-shirts and other merchandise.

Although we may not be required to, we should obtain a business license and parking deferral fee exemption from city of Santa Cruz. We should be able to obtain these for at no cost.

Western Cave Conservancy

Balance Sheet - All Transactions

07/19/03

Mar 31, 03

ASSETS

Current Assets

Checking/Savings

BofA Checking

381.29

Total Checking/Savings

381.29

Accounts Receivable

Accounts Receivable

250.00

Total Accounts Receivable

250.00

Total Current Assets

631.29

TOTAL ASSETS

631.29

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable

301.94

Total Accounts Payable

301.94

Total Current Liabilities

301.94

Total Liabilities

301.94

Equity

Net Assets Forward

1,033.50

Net Income

-704.15

Total Equity

329.35

TOTAL LIABILITIES & EQUITY

631.29

Western Cave Conservancy

Income & Expenses

07/19/03

	<u>Dec 31, 02</u>	<u>Mar 31, 03</u>	<u>TOTAL</u>
Income			
Auctioned goods	65.00	0.00	65.00
Contributions	1,503.00	24.00	1,527.00
Total Income	<u>1,568.00</u>	<u>24.00</u>	<u>1,592.00</u>
Expense			
Bank service charges	14.50	25.50	40.00
Books (reference)	0.00	167.06	167.06
Copies	0.00	4.29	4.29
Filing fees - one-time	500.00	0.00	500.00
Filing fees - periodic	20.00	0.00	20.00
Legal review & advice	0.00	275.00	275.00
Meeting supplies	0.00	156.42	156.42
Office supplies	0.00	48.58	48.58
Web site	0.00	51.30	51.30
Total Expense	<u>534.50</u>	<u>728.15</u>	<u>1,262.65</u>
Net Income	<u><u>1,033.50</u></u>	<u><u>-704.15</u></u>	<u><u>329.35</u></u>

Western Cave Conservancy

Gifts-in-kind Report

Use this form to report donated expenses or goods (i.e. no reimbursement required)

Submitter: _____ Report Date: _____

For each item, please include receipts showing value if possible.

Expense Goods Services Value: \$_____ *Check if value estimated:*

Date received: _____ Received from: _____

Description: _____

Expense Goods Services Value: \$_____ *Check if value estimated:*

Date received: _____ Received from: _____

Description: _____

Expense Goods Services Value: \$_____ *Check if value estimated:*

Date received: _____ Received from: _____

Description: _____

Use additional copies of this form if necessary. Attach receipt(s) if possible, and then send to:

Western Cave Conservancy
Attn: Treasurer
213 Elm St.
Santa Cruz, CA 95060

Thank you.

Report of the Secretary April 7, 2003

Daniel S. Snyder, (831) 421-0430, dsnyder@westerncaves.org

CORRESPONDENCE SINCE 1/12/2002 MEETING

Marianne Russo communicated with Steve Knutson and _____, owner of M _____ M _____ Cave, regarding the possibility of the WCC purchasing the cave, which Mr. Campman has been attempting to sell or trade to the Bureau of Land Management. He wants \$ _____ for the entire parcel, including the cave, quarry and surrounding land (100+ acres), and is not interested in splitting the cave from the remainder of the property, since he is under financial pressure and fears he will be unable to dispose of the remainder if he lets the cave go. Marianne has informed him that we do not yet have the resources to purchase the property at his asking price.

The directors and officers received correspondence from director Rolf Aalbu regarding the biological value of Shoshone Cave, near Shoshone, California; after some research, I determined that this cave is on federal land and is already managed by the BLM for its unusual endemic biota.

The directors and officers received correspondence from director Rolf Aalbu regarding another cave of biological interest, "Bill's Cave" [Chrenko Cave] near Colossal Cave in southeastern Arizona. This cave contains several invertebrate species currently known nowhere else and is presently offered for sale. Dan, Martin and Rolf will investigate the property while caving in Arizona next week.

EMAIL BUSINESS SINCE 1/12/2002 MEETING

No business was conducted by email during the last session.

ACTIVITIES SINCE 1/12/2002 MEETING

I sent Matt Bowers (webmaster) public record files (minutes, articles, bylaws) for use on the website which he has been designing for WCC, and am working with him to develop ideas for the site. Matt needs a great deal more content before the site is ready to go "live." We have registered the domain name <http://www.westerncaves.org>.

Though I neglected to bring it to the meeting, I have written a prototype news bulletin/letter for distribution over the moderated WCC listserv that John Hargreaves has volunteered to administer.

On January 26th, Marianne, Joel and I attended the NSS convention planning meeting in Porterville, California. We toured the facilities that will be provided to WCC, and spent an hour brainstorming party ideas, which will be referred to the PR Committee.

As directed at the annual meeting, I applied to affiliate WCC with the NSS Cave Conservancies Committee. Marianne Russo and I attended the NSS Board of Governors Meeting in Salt Lake City, Utah, to answer any questions that might arise concerning our application. The application was approved by the BOG unanimously. We availed ourselves of the opportunity to attend the post-meeting party to schmooze with NSS directors and others, Marianne even having the audacity to beat NSS Administrative VP Tom Lera at a game of pool.

Also as directed, I did some research into obtaining a non-profit bulk mailing permit. I'm still unclear on whether our organization would meet postal service requirements for a nonprofit permit. If we do, our bulk mailing rates would be in the neighborhood of 15 cents/piece versus about 19 cents/piece without the nonprofit permit, the precise amounts depending on degree of pre-sorting. The permit is subject to so many

restrictions, and the savings for mailings of the size we're contemplating (about 1,000 pieces) so marginal, that we may prefer not to pursue a nonprofit bulk mailing permit at this time.

At the BOG meeting, Cindy Heazlit of the Cave Conservancy of Hawai'i presented a resolution from the CCH board supporting WCC's application to affiliate with the NSS. The intent was to defuse any allegations of competition between the two conservancies that might arise. The gesture was much appreciated, and in fact did help allay concerns from some governors that WCC's name suggested we were attempting to dominate the entire western U.S. or that we might compete for limited resources. Both conservancy delegations emphasized that we consider our goals complementary.

STATUS OF LIABILITY AND DIRECTORS & OFFICERS INSURANCE QUOTES

I had an appointment this morning with a nonprofit insurance broker who sells NIAC liability policies (Nonprofit Insurance Alliance of California). She feels confident that NIAC will insure us, including our caves, which is better than we can obtain from the Land Trust Alliance. In fact, even the NSS insurance policy, recently lost, has never covered the society's caves. NIAC can only cover our activities and properties in California, but they have sister corporations in Oregon, Washington and Nevada, although not in Arizona, where we are also contemplating a cave purchase. NIAC specializes in writing the "unwriteable," i.e., nonprofits.

I have given the broker information pertaining to the California Sportsmans Law (Civil Code Section 846) in hopes that this will impress upon the underwriter the unlikelihood of a successful judgment against us for injuries incurred on our cave properties in this state.

NIAC's minimum annual premium for a general liability policy is \$1,200. D&O insurance will cost an additional minimum \$1,100 and requires the general liability policy. In addition, because we hold fundraisers and because we'll have work parties where we invite volunteers onto the property to, for instance, tear down the shed at Rippled Cave, or clear brush or build trails, we'll have to pay another \$200-300 for accident insurance.

Recall that in order to obtain immunity for directors and officers, we have to either have insurance or prove that the premium would cost in excess of 10% of our operating budget. If we buy Rippled Cave for \$ _____ as we expect to this year, we cannot claim to be unable to afford liability and D&O insurance if the above quoted rates hold true.

The verbal quotes given me were based upon my information that we have about a dozen volunteers now, will have 20-25 people volunteering on any given project, and expect to have one 15-acre property (Rippled Cave) which receives about 100-300 visitors per year. The broker is aware of the traditional recreational and training uses of the Rippled property including the vertical practices on the cliff face and SAR training. The broker indicated that the abandoned workshop on the property is considered a major hazard and must be demolished immediately upon our acquisition. Therefore, whatever quote they supply us in writing should be accurate.

Submitted April 7, 2003 by
Daniel S. Snyder, Secretary
Western Cave Conservancy

Western Cave Conservancy Financial Controls adopted April 7, 2003

(A) Donations by check:

1. Treasurer receives a donation check
2. Treasurer records donation in the records
3. Treasurer sends the check to Vice President (or, if unavailable, the President)
4. Vice President (or, if unavailable, the President) records deposit in separate register
5. Vice President (or, if unavailable, the President) deposits check in bank

(B) Cash donations:

1. Two persons count the cash, then fill out and sign a Cash Deposit Form
2. Cash may be converted to check for mailing purposes
3. Cash and form are forwarded to Vice President (or, if unavailable, the President)
4. Vice President (or, if unavailable, the President) records deposit in separate register
5. Vice President (or, if unavailable, the President) deposits cash
6. A copy of the Cash Deposit form is forwarded to Treasurer
7. Treasurer records donation in the records

(C) Bills and expenses less than \$250

1. Treasurer receives bill or Expense Report
2. Treasurer requests approval (via email) from President (or, if unavailable, the Vice President)
3. President (or, if unavailable, the Vice President) approves expenditure via email
4. Treasurer records payment in records
5. Treasurer prints a payment check (but cannot sign it)
6. Treasurer prepares and puts postage on envelope
7. Treasurer forwards envelope and check to Vice President (or, if unavailable, the President)
8. Vice President (or, if unavailable, the President) records check in separate register
9. Vice President (or, if unavailable, the President) signs check and mails envelope

(D) Bills and expenses \$250 or more

1. Treasurer receives bill or Expense Report
2. Treasurer requests approval from Board via email or at meeting
3. Board approves (unanimous via email, or majority at meeting)
4. Go to step (C)4

(E) Bank Statements

1. Treasurer receives bank statement
2. Treasurer reconciles bank statement against records
3. Treasurer sends bank statement copies to President and Vice President
4. Treasurer sends list of deposits and payments to President and Vice President
5. Vice President (or, if unavailable, the President) verifies that deposits and checks match registers
6. President (or, if unavailable, the Vice President) reviews statement and list for obvious errors