**SAN JUAN ISLANDS CONSERVATION DISTRICT**

**Regular Monthly Meeting of the Board of Supervisors**

**December 27, 2022**

**Location:** Online via Zoom and 530 Guard Street, Friday Harbor

**In Attendance**

**Supervisors:** Vicki Heater, Lynn Bahrych (absent), David Bill,

Carson Sprenger (absent), Claire Crawbuck

**Associates:** Deanna Eltinge (absent), Jerry Rasmussen (absent),

Linda Lyshall (absent)

**Staff:** Paul Andersson, Tony Fyrqvist

**Partners:** Jean Fike, WSCC Puget Sound Regional Manager; Alan Chapman, WACD NW Region Representative; Robin Buckingham, NRCS (absent)

**Public:** None

**MEETING SUMMARY – Final**

Vicki Heater convened the regular meeting held via Zoom at 10:00 am.

**Welcome and Introductions:**

It was confirmed that quorum would be present with 3 Supervisors attending the meeting, while Lynn Bahrych and Carson Sprenger were absent.

1. **Agenda Approval:**

There was discussion about the Associate Board membership - if it should be postponed until next month due to some of the Board Members not being available to attend this meeting, but it was generally agreed that the conversation about the topic can be started today with further discussion in future meetings.

The following action items to be approved were added on the Agenda under 5. New Business:

* $50,000 Salmon Recovery Funding for Orcas projects in the Crow Valley watershed.
* $26,000 Sustainable Farms and Fields funding.

The Agenda was approved by consensus.

1. **November 22nd Regular Meeting Minutes Approval:**

David made a motion to approve the 11/22/22 Meeting Minutes. The motion was seconded by Claire.

The Minutes were approved without any changes.

1. **Financial Officers Report:**

The Financial Manager briefly reviewed the Accrual Basis of Accounting which is utilized by the District and presented the following summary of the District’s financial position.

11/30/22 Balance Sheet

The importance of sustaining and frequently analyzing District Operating Account balances was emphasized and is achieved by Management running a liquidity report several times within each month comparing bank deposit balances with collected and outstanding receivables.

It was noted that while the account shows a slightly decreasing trend at the end of each month over the past 3 months the reason for the November decline was:

* The timing of the New Hannah Farm $24,093.00 Cost Share payment clearing the account on 11/10/22 while it was recovered from WSCC on 12/8/22.
* Payment to AG Guild of $6,506.86 cleared the account on 11/17/22 and had not been recovered from the County LTAC Farm Tours Grant by the date of the Board meeting.

 11/30/22 10/31/22 9/30/22

* Banner Bank Operating $187,793.67 $191,864.56 $208,831.70
* Liberty Bank Reserve $100,000.00 $100,000.00 $100,000.00
* Accounts Receivable $227,685.66 $239,458.17 $133,867.32

The **current** Banner Bank operating account deposit balance as of the Board Meeting date of 12/27/22 was $241,245.89 reflecting collections of Accounts Receivable. The balance showed an increase of $33,423.81 from the date of the previous Board meeting.

It was mentioned that the internal liquidity tracking report on the board meeting date showed:

* $101,838.27 in Total Receivables.
* $41,422.48 in receivables from San Juan County (ICC, LTAC VSP, Farm Tours)
* $57,915.79 in receivables from DNR under their 2 outstanding grants.

The report also looks at large checks to be written and their potential impact on the operating account.

11/30/22 Statement of Revenue & Expense

Under the Accrual Basis of Accounting rules the invoices sent out in early December for November work and expenses were recorded in the November statements. The funds will not be collected until December or January, however, some of the items such as the Assessment Income of $5,220.69 for the October Tax Assessment – along with some YCC Donations – represent funds already credited to the District Operating Checking account.

The following significant “Ordinary Income” items were highlighted:

* Implementation (IM) income of $7,997.17 represented total invoicing of $9,996.48 as the Indirect Portion is shown at the end of the statement under “Other Income/Expense. Total IM funds allocated for the district for the year amounted to $117,823.00 – or $9,818.58/mo. With $53,683.61 remaining the funding should last for another 5.5 months, until mid-April, at which time the staff would switch from charging IM to Assessment. Charging Assessment depletes the District Operating account while charging IM is invoiced to WSCC with a 25% indirect actually increasing the operating account balance. The heavier than anticipated usage of IM funding is correlated with new staff hired this year and the resulting training hours having been assigned to IM.
* ICC Income of $23,406.16 represented ICC invoicing to Land Bank and Preservation Trust for work completed by ICC crews on Land Bank and Preservation Trust properties.
* Island Marble Butterfly Income of $2,129.88 represented invoicing under the District’s 3 distinct IMB grants.
* RCO-SRFB Eelgrass invoice of $3,272.61 was the final invoice under the current Eelgrass grant.
* YCC income of $13,631.82 reflected YCCs success in fundraising efforts as well as invoicing under the BLM grant for November labor.

Most of the expenses consisted of standard reoccurring line items, however, the following major expenses were briefly discussed:

* The Consultation expense of $4,527.50 included funds paid to Black Cap Restoration and Dr. Sandy Wyllie-Echeverria, and recovered under WSCC-Salmon Recovery Funding and RCO-Eelgrass grants.
* Computer Equipment charge of $3,930.37 primarily included the purchase price of the new District software Quickbase for $3,906.00
* Project Supplies expense of $3,235.15 consisted of equipment and supplies purchased by ICC.

Credit Card Detail:

The credit card detail report reflected mainly standard monthly operating expenses incurred by the District.

However, a special mention was made of:

* $2,133.70 for purchase of equipment and shovels from Forestry Suppliers as this directly added onto other expenses totaling $6,926.97 which are being tracked and which will be invoiced to the WSCC-SRF grant. However, the District has been advised by Commission that the costs cannot be recovered by invoicing until the “project or BMP is completed”. We anticipate being able to invoice and recover these costs within the next few months as they are depleting the operating account.

Grant Pipeline Report

This was briefly discussed, and it was mentioned that the District has been devoting time to grant writing and grants are moving from the pipeline to active files.

Funding for YCC from San Juan County LTAC and Orcas Island Community Foundation - as well as the work performed by the Program Manager to obtain the funding - was specifically mentioned.

Bank Reconciliation Report

The Bank Reconciliation Report was not discussed. It is prepared by R&R Accounting and is in compliance with all District and SAO guidelines.

Adjusting Journal Entries Report:

This report is prepared by R&R Accounting and any unusual entries outside of the standard payroll related tax, wage and benefit related entries would require further examination under the District’s double control of finances.

A motion was made by David to approve the financial packages for November 2022 consisting of:

* The Financial Statements
* Journal Entries
* Credit Card Detail
* Bank Reconciliation

The motion was seconded by Claire and carried.

1. **Old Business**

Board supervisor onboarding – Progress Report

Onboarding of a new supervisor is a long process and the discussion covered:

* Attending board meetings.
* Online publicity.
* Training.
* Going through the checklist.
* The new Supervisor attended the staff holiday party and got to meet other Supervisors and staff members in a casual setting.

2023 Regular Meeting Schedule – 4th Friday of each month, 3:30am to 10:30am beginning January 2023.

Reminded attendees of the meeting date and time change.

CD office space - Progress report on search for office options

As the current lease for District premises expires on 6/30/23 District management has had conversation with realtors on possible new locations. Nothing tangible has materialized yet. Management will also contact the owner of current premises.

Discussed briefly the current Public Works Building being offered for sale, which has an appraised value of $1,110,000 as of 9/29/22 and net rentable space of 5,500 sq ft. It would be too large for the District to occupy alone. In a shared space situation the ideal partners would be:

* Land Bank
* Preservation Trust
* WSU Extension
* Smaller Departments of San Juan County

The challenges with a move to new premises include the cost of moving furniture, equipment and resetting technological connections as well as staff time with physically moving and taking care of address changes for Commission, Agency Partners and various governmental entities such as the IRS.

CD IT Infrastructure

The District has purchased Quickbase Customer Relationship Management (CRM) software which is being used to increase the District’s operational efficiency with integration of programs such as Cost Share, Best Management Practices and Client Data.

Associate board membership – Discussion of current policies, membership and potential new member(s).

The District has developed a rough draft of a policy (copy was distributed) consisting of:

* Purpose
* Powers and Duties of Associate Supervisors
* Minimum Requirements
* Selection Process & Term Length

The conversation focused on the associate board members not having a governance role and a statement was made that they: “Shall not act in manners contrary to the goals of the District”. It was also stated that their functions should receive an unanimous vote from the board to represent the board to the Commission or on committees and work groups.

The District has a Governance Policy guiding service on committees and subcommittees.

It was recommended that the wording regarding associate supervisors representing the board should be replaced by them providing a conduit for board decision.

It was stated that that associate supervisors:

* Can facilitate succession planning due to substantial learning curve in learning district operations.
* Can enhance District visibility in the community.
* Provide additional credibility to the District.
1. **New Business**

FY ’23-25 Governor’s Budget – discussion of programs, funding levels proposed, and SJICD Legislative priorities.

While the Governors proposed budget retained many of the WSCC Operating Requests unchanged, conversation ensued about the $100 million Governor’s grant program proposal for riparian restoration and protection. The need to inform legislators about support to this program on the Legislative Agenda was emphasized.

The conversation also covered the possible connection between funding for Eelgrass restoration and riparian restoration.

David made a motion that the District will support the Governor’s Proposed Riparian Grant Program and Conservation Commission in legislative discussions. The motion was seconded by Claire and passed.

Discussion continued about legislative updates, politics in Olympia and effective lobbying.

2023 Supervisor Elections – discussion of dates, supervisors and logistics for 2023 elections, including WSCC Conservation Month.

March has been designated as “Conservation Month” and all districts are striving to hold elections during the month.

Document preparation and the selection for the specific date for the elections will begin in January to assure sufficient lead time for public notices and determination of other election relevant specifics.

Two candidates have stated their desire to continue on the Board:

* Lynn Bahrych – who has been appointed.
* Carson Sprenger – who has been elected.

SJICD capital fundraising campaign – discussion of recent donations and programs/projects/goals that could benefit from larger, long-term fundraising campaign.

The District Manager has been in contact with a consultant for a high net worth individuals moving to the San Juan Islands and who is interested sponsoring forestry and environmental education. The Conservation District programs could provide an ideal venue.

Establishing an Endowment Fund for the District could accommodate larger donations but would need to focus on a specific project with a target such as capital fundraising to purchase real estate. As endowments involve restricted funds and permanent endowment funds only allow the nonprofit to spend revenues, with the principal maintained in revenue-producing investments, there were some reservations and a caution to establish the appropriate type of an endowment fund.

It was recommended that if the District decides to pursue the establishment of an Endowment Fund it could be beneficial to engage the services of an expert consultant. The San Juan Islands Preservation Trust, along with the Conservation Land Bank have experience with these types of accounts.

Action Item to approve Salmon Recovery Funding for Orcas projects in the Crow Valley watershed ($50,000); Sustainable Farms and Fields funding ($26,000).

David made a motion to approve the following 2 WSCC grant funding proposals - the amounts have been estimated at this time as they are still subject to refinements, but the approvals will also cover the final amounts with an indirect rate of 25%:

1. $50,000.00 for Salmon Recovery funding on Orcas Island.
2. $26,000.00 for funding Sustainable Farms and Fields.

The motion was seconded by Claire.

The discussion on the Salmon Recovery Funding was centered around determination of the final amounts of each of the Salmon Recovery Grant components of:

* Implementation – including GIS mapping of locations on Orcas Island.
* Technical Assistance
* Outreach and Monitoring
* Project Planning and Design
* Indirect rate of 25%.

While discussing he Sustainable Farms and Fields the following items were discussed:

* Integrating climate change as an important component
* NRCS support and funding for Biochar
* Fit with NRCS Environmental Quality Incentives Program (EQIP)
* Best Management Practices (BMPs)
* Obtaining templates from Commission for farm planning work.

The motion passed.

1. **Executive Session**

Review of complaint and investigation against a public officer or employee.

At 11:09 the Board closed the regular meeting - with Jean Fike and Aland Chapman signing off – and opened the Executive Session in accordance with RCW 42.30.110 to “evaluate the qualifications of an applicant for public employment or to review the performance of a public employee”.

At 11:20 the Executive Session closed and the regular meeting reopened with Jean Fike and Alan Chapman signing back in.

1. **Staff and Program Reports**

The Board was introduced to the “2022 – A YEAR IN REVIEW MILESTONES & ACCOMPLISHMENTS” one page poster highlighting with graphics and bullet point performance indicators the following 9 programs:

* Farms & Agriculture
* Agriculture Cost Share
* Voluntary Stewardship Program
* Islands Conservation Corps
* Riparian Restoration
* Youth Conservation Corps
* Forestry
* Eelgrass Restoration
* Island Marble Butterfly Recovery

This will be sent out to the public and to our agency partners and posted on electronic media. Due to cost there are no plans to place to purchase advertising in the local newspapers at this time.

Discussion also emphasized Garry Oak restoration accomplishments and efforts by the District. This is a major, high profile, restoration project involving ICC crews and multiple land management partners.

Review of Staff and Program Reports highlighted YCC Program and Fund Raising with the YCC Program Manager:

* Engaging in program Budget preparation and expense tracking
* Securing donations with a successful holiday letter writing campaign.
* Securing an LTAC grant
* Working with Orcas Community Foundation for future funding
* Developing an exploratory program with Orcas Island Middle School where the regular teacher would hand over the class to a YCC Leader to learn about natural resource management enhancing teacher resources.
* This can lead into further opportunities with Washington State Employment Security Department “Career Explore Program”. The District is currently engaged with the “Career Connect Program” and has considered participation in the “Career Launch Program”.

The YCC Program Manager received Board commendations for high quality performance at the San Juan County Lodging Tax Advisory Committee (LTAC) Meeting.

The San Juan County Land Bank Quarterly Report dated 12/15/22 was briefly reviewed along with work performed under the DNR-LSR grant.

Discussed specific metrics for staff programs.

Discussed fire science and specific fire suppression tactics necessary for BLM funding. The District is well prepared for statistical analysis but does not have sufficient staffing for extensive field work.

Steve Hollenhurst from Huxley College of the Environment at Western Washington University has been instrumental with helping and instructing ICC crew with fire science.

1. **Upcoming Trainings/Webinars/Events**

Ag Listening Sessions – January 26 (Orcas), 27 (San Juan), 30 (Lopez).

WACD Legislative Day – February 8

Ag Summit – March 3-4, at Friday Harbors Labs, SJI

Terrestrial Manager’s Group Retreat – March 27-29; 2-day retreat at Moran State Park for multi-agency staff and board members

March 2023 – WSCC Conservation Month

No comments presented at the meeting.

1. **Idea Pot**

None.

1. **Partner Reports**

Alan Chapman from WACD, provided the following notes and observations from the Annual Meeting:

* The Board should spend more time on reviewing the progress of the resolutions.
* There is a need to improve training of people who write the resolutions.
* All sessions of the meeting are posted on the web site.
* It is possible to sign up to receive legislative updates.
* Committees are under way and the constraints of outside supervisors have been removed in order to tap additional expertise and increase participation.
* Brief discussion of the Diversity, Equity and Inclusion (DEI) committee work.

Jean Fike from WSCC,

* On Dec. 5, 2022, Cherie Kearney was appointed to the Washington State Conservation Commission (SCC) to serve as the second governor-appointed commissioner on the 10-member board.
* The proposed 2023-2025 Governors Capital Budget provides $100 million in funding for riparian restoration, protection and salmon recovery.
* The $2 million Salmon Riparian Education component was provided in the Governors Budget.
* Conservation Technical Assistance (CTA) is proposed to be fully funded at the ask level of $10 million (up from
* $5 million was provided for Forest Health and Community Wildfire.
* $3 million was assigned for other Riparian Restoration.
* The Governors Budget did not provide any increases in Natural Resource Investments (NRI) or Shellfish funding – they remained same as during the previous Biennium.
1. **Public Comments**

None.

1. **Adjourn**

Meeting adjourned by Vicki Heater at 12:00PM.

**Next Regular Monthly Meeting: Friday, January 27, 2023, 8:30 am to 10:30 am.**