**SAN JUAN ISLANDS CONSERVATION DISTRICT**

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

**March 22, 2022**

**Location:** 2098 Deer Harbor Road, Eastsound WA 98245

and online via Zoom

**In Attendance**

**Supervisors:** Vicki Heater, Lynn Bahrych, David Bill,

Carson Sprenger

**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

**Public:** None

**MEETING SUMMARY – Final**

Vicki Heater convened the regular meeting held via Zoom at 10:30 am.

**Welcome and Introductions:**

There were no members of the public present and no guests.

1. **Agenda Approval:**

Carson made a motion was made to approve the Agendas for both the Regular Board Meeting and the Special Board Meeting. The motion was seconded by David and passed without discussion.

1. **February 22th Meeting Minutes Approval:**

Lynn made a motion was made to approve the 2/22/22 Regular Meeting Minutes. It was seconded by David. The Financial Manager stated that the Minutes contained a small typographical error on page 2 referencing the date of the current account balances as 2/22/22. Correction would be made to the final Minutes. The motion to approve the corrected final Minutes carried without further discussion.

1. **Financial Officers Report:**

The Financial Manager provided the following summary of the February, 2022 Financial Statements commencing with the Balance Sheet:

2/28/22 Balance Sheet

The Financial Manager made a comment that the 2/28/22 ending bank balances were down from the from the previous 1/31/22 month end primarily due to the fact that the District has not yet collected on the DNR grant receivable which have been invoiced - but the related payroll expenses have already been paid from the operating deposit account.

Total deposit account balances at 2/28/22 were $274,393.21 ($299,585.28 at 1/31/22)

* $214,393.21 in Banner Bank operating account ($259,585.28 at 1/31/22)
* $60,000.00 in Liberty Bank reserve account (an additional $20,000 was transferred from the operating account on 2/8/22)

In accordance with prudent financial review practices the current operating account deposit balance was also examined. As of 3/21/22 the balance was $193,581.01, further reflecting the uncollected receivables.

A summary of the current receivables as of the Board meeting date was presented:



There has been substantial progress with DNR in collection of the “Shovel Ready” and “Coordination” grant receivables for 10/1/21-1/31/22 work – according to DNR both are in process of being paid.

Due to staffing changes and shortages at San Juan County the VSP payment has not been received yet.

The quality of the receivables is good as all are deemed to be collectible.

The actual liquidity position of the District is determined by deducting the prepaid grant proceeds dedicated to specific projects from the bank balances which can amount up to $100,000.

The District no longer depletes prepaid grants from OICF as CCC income as these have been fully depleted. However, some of the current prepayments include:

* + $25,000.00 Received from Impact Assets for Lummi Guardians
  + $11,000.00 Prepaid Grant Balances moved to Lummi Guardians from

CCC-OICF

* + $ 9,250.00 Prepaid new WAFAC Lummi Grant Proceeds
  + $ 45,250.00 TOTAL

As expressed in the previous Board Meeting, a comment was made again that the operating account balances fluctuate substantially within each month. It is important to retain sufficient balances in the account, particularly if cost share projects were to be funded simultaneously with payroll.

The most recent payroll related expenses depleted the account in in early March 2022 by:

* $29,244.43 Payroll
* $ 8,613.16 Payroll Tax
* $ 6,889.71 DRS Retirement
* $12,135.66 Health Insurance
* $56,882.96 TOTAL

The District retains a Revolving Line of Credit of $50,000 at Liberty Bank which matures on 3/25/23. The District paid an initial fee of $500.00 for the Line of Credit at inception on 3/26/21. The Financial Manager explained that most banks charge an up-front fee for Commercial Lines of Credit to cover the cost of reserve requirement, documentation and federal reporting.

To date the District has not utilized the Line of Credit and thus has incurred no interest charges. A short discussion ensued about the need for the Line. Due to the potential fluctuations in the operating account balances and the new grants with Cost Share components the District will continue to monitor events and come to a decision about the need for the Line extension prior to the maturity.

2/28/22 Statement of Revenue & Expense

District invoicing volume continued at a steady pace during February.

Total Revenues amounted to $69,529.22 (compared with $123,172.07 during January 2022).

Comments were made on the following Income items:

* No Cost Share invoices were processed during February, compared to the Shellfish Cost Share for $29,506.59 during January.
* Implementation invoicing continued to be above expectations. For the remaining 4 months of the current fiscal year the District has $33,188.37 in remaining funding which amounts to $8,297.09/mo. It can be forecasted that the Implementation funding will be depleted before the fiscal year end of 6/30/22. However, during previous years the staff had marked timesheet hours under Assessment as well as Implementation which extended the Implementation funding. During the current fiscal year only a limited number of hours were recorded under Assessment.
* The district, with the assistance of R&R Accounting, is in process of further documenting the different sources of Assessment funding, which in addition to property assessment revenue includes the indirect component of grant invoicing.

Comments were made to explain the following Expense items:

* $1,854.94 in Advertising included expenses incurred for job posting and elections.
* $697.33 in Auto Repairs included the radiator repair on the District owned Toyota Tacoma truck.
* $820.00 in Internet Service covered 2 months.
* $2,350.42 included the purchase of a new computer equipment and payment of the Smartsheet fee.

In summary, during February 2022 the District recorded a Deficit of $24,808.83, however, for Fiscal-Year-To-Date the Surplus amounted to $19,555.12.

Credit Card Detail:

It was mentioned that the Credit Card Detail contained a charge by LaQuinta Inn on 2/12/22 to the District Card #2 – ICC which was processed in error by the hotel. The District paid the entire bill and will show the reversal as a credit. This was done to avoid any bank fees or charges relative to the timing of the reversal.

Adjusting Journal Entries Report:

In compliance with SAO recommendation the District presented a report of Journal Entries for Board approval. There was discussion in attempt to understanding what the report portrays. The purpose of the report has been described by R&R Accounting as follows:

* The Journal Entries are internal adjustments to the financial data.  The audit requires you see and approve these “behind the scene’s” adjustments.
* The report is primarily R&R Accounting moving the payroll taxes to the specific grant and then moving the 5th of the month payroll back to the previous month in order to get a complete Accrual Financial picture.
* Any unusual adjusting transactions would show up on the report.

A motion was made by Lynn to approve the financial package consisting of:

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

The motion was seconded by Carson and carried.

1. **Old Business**

Board Supervisor Election – Discussion of process and key dates

The board discussion covered Election processes, public notices and applicable dates:

* Elections will be held on 3/30/22 with polls open at 8:30am – 3:00pm.
* Last day to request mail in ballots 3/9/22 - 4:00pm – No further ballots can be requested.
* Last day to file as a candidate 3/2/22 - 4pm – No additional candidates filed prior to the cut-off date. The only candidate on the ballot is David Bill.
* 6 ballots were mailed out – 5 were received.

SAO Audit follow-ups – Reserve Account policy, Employee Handbook updates, next audit date inquiry

The SJICD approved reserve account policy was included in the Board Packet. A separate District Line of Credit policy will need to be developed. Conditions and advance authority for the Line of Credit are set within the loan documents – currently the following parties are authorized to request advances:

* Paul Andersson, District Manager
* Tony Fyrqvist, Financial Manager

The Employee Handbook is in process of being updated to include all relevant SAO recommendations. Policy Committee will review the update.

As the recent Audit Period covered calendar years 2019 and 2020, the next audit period will be 2021 and 2022 and is scheduled for 2023.

1. **New Business**

Authorized Signer for SJICD – Motion to add Cathi Winings and remove Bruce Gregory from the list of District signers

A motion was made by Carson to add Cathi Winings as an authorized signer on the San Juan Islands Conservation District Operating Account at Banner Bank. Robert Bruce Gregory is to be removed as an Authorized Signer after his retirement on 4/30/22. The motion was seconded by David and passed without discussion.

OPALCO Board of Directors ballot vote – Decision of whether to vote and for whom

A motion was made by Carson that the Board should vote for positions on OPALCO Board. The motion was seconded by Lynn. The discussion covered various topics such as:

* Voting is part of being a member of OPALCO.
* The level of engagement with OPALCO is important.
* OPALCO is an agency partner of the Conservation District.
* Should the Conservation District vote for individuals in the contested OPALCO District 1.
* Should members not served by OPALCO abstain from voting.

The motion carried.

A motion was made by Lynn to vote for the unopposed incumbents in OPALCO District 3 and District 4. It was seconded by Carson and the motion carried.

Another motion was made by Carson to not vote for any of the District 1 candidates. It was seconded by Lynn and the motion carried.

1. **Staff and Program Report New Business**

Staff and program reports are enclosed as a separate attachment.

1. **Subcommittee Reports -**

Forest Health Collaborative (FHC) – did not meet.

Policy – did not meet.

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

No discussion.

1. **Idea Pot**

No discussion.

1. **Partner Reports**

Alan Chapman from WACD stated that the following items were discussed in their board meeting of 3/21/22:

* Plant Materials Center is performing well with
  + 30% increase in Revenues
  + 17% increase in Expenses
* WACD was introduced to Chris Pettit who is the new Executive Director of WSCC
* The next Washington legislative session will see again
  + The District Elections issue
  + Riparian management regulatory issues
* A brief discussion was held on the Funding Committee

WACD is actively seeking feedback from Conservation Districts as to relationship successes and problems. They are seeking to maximize the benefits extended to all Districts.

WACD encourages Conservation District participation in their Board Meetings – the latest meeting was attended by Snohomish, Skagit and Whatcom Districts. They provided specific District related information to WACD Board.

Jean Fike mentioned that:

* The new Executive Director Chris Pettit is making rounds to the individual Districts and is learning WSCC Operations. This presents individual districts with an opportunity to introduce themselves to him.
* The Supplemental Budget awaits the Governor’s signature and is beneficial to Districts, however, some areas of funding could present a challenge to be able to perform within the required timelines.
* The Districts are encouraged to “tell a story” in writing expressing the benefits incurred from additional funding.

1. **Public Comments**

None

1. **Adjourn**

Meeting adjourned at 11:40AM.

**Next General Meeting: Tuesday, April 26, 2022**

**From 10:00AM to 12:00NOON**