**SAN JUAN ISLANDS CONSERVATION DISTRICT**

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

**September 28, 2021**

**Location:** Zoom Meeting

**In Attendance**

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

Carson Sprenger, Angie Freeman-Shephard (absent)

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

Linda Lyshall (absent)

**Staff:** Paul Andersson, Tony Fyrqvist

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

**Public:** None

**MEETING SUMMARY – Final**

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

1. **Agenda Approval:**

David made a motion to approve the Agenda and was seconded by Lynn. During discussion it was decided to add “Board Evaluation” under Agenda item #6 “New Business”. David stated that he is available to help with the process. The motion carried.

1. **August 24th Meeting Minutes Approval:**

David moved to approve the August 24th Regular Meeting Minutes and was seconded by Lynn. The motion carried without discussion.

1. **August 2021 Financial Officers Report:**

The Financial Officers Report commenced with the following comments on the August 31, 2021 Statement of Revenue & Expenses:

* District revenues for the month of August were as expected – increasing to $102,026.92 from $50,339.55 during the previous month.
* With the winding down of the YCC Summer Program the District invoiced RCO Trails Grant for staff hours and crew stipends. YCC Income of $39,101.14 accounted for 38% of total revenues.
* The Commerce Grant was invoiced for $18,641.75 accounting for 18% of total revenues. This Grant has $19,244.40 remaining.
* The District’s 2nd VSP invoicing of the biennium of $11,740.43 amounted to 12% of total revenues. This represented mainly work on developing ISPs and final touches on the biennial report of August 2021.
* Implementation was invoiced for $9,646.61 amounting to 9% of total revenues.
* The 4 largest invoices amounted to 77% of total revenues.
* Although Assessment Income of $733.08 was minimal the San Juan County Treasurers Office had sent the District a report of the 18,555 parcels in the County and the District is in process of verifying the tax exempt parcels.
* In accordance with RCW 89.08.405, on 10/22/2019 San Juan County Council adopted on Ordinance 13-2019 renewing the District’s System of Rates and Charges. The following rates were set for 10 years from January 2020:



* A comment was made that as the rates are tied to parcels and acreage sizes - rather than valuations - the District will not benefit from the recent increases in real estate values. The assessment income will be relatively stable until 2030.
* Assessment income, on annualized basis, has been approximately 10% of the District’s total income. In accordance with the County Property Tax Assessment due dates of April 30 and October 31 this income is largely received in May and November.

8/30/21 Balance Sheet

* The total Deposit account balances amounted to $257,672.93 – up by $38,614.12 from month end July 2021 as the District has been reimbursed by Commission for the Cost Share disbursements.
* During August an additional $10,000 was transferred to the Liberty Bank Reserve Fund, which now amounts to $20,000.
* Due to the time delay between the Board meetings - which are held toward the end of each month - and the financial statements representing the previous month end; as a more timely “liquidity indicator” a comment was made that the Banner Bank Balance at 9/28/21 was $248,153.30, bringing total bank balances to $268,153.30.
* As of 9/28/21 total accounts receivable amounted to $31,588.31 which includes the Commerce invoice for $18,641.75.
* As the Grant Tracking Spreadsheet shows the following available funds under the 2 prepaid grants:
	+ $96,203.75 under CCC
	+ $283.34 under Seacology

The total of $96,487.09 must be deducted from the total liquidity leaving $161,185.84 to cover District operations.

* Overall, the District demonstrates improvement in long-term liquidity.

Grant Tracking Report for August 2021

In order to safeguard public funds it was mentioned that the District has well established dual controls in the accounting processes which are manifested in the Grant Tracking Report:

* District grant budgets (blue) are balances against R&R Accounting Quickbooks records (green).
* Invoices and bank deposits are reported to R&R Accounting weekly.
* R&R Accounting reconciles the Bank Statements.
* All District Checks require 2 signatures.

Credit Card Details Report for August 2021

A comment was made that the District made the following excess payments on credit card invoices to open up availability for District computer equipment purchases and CCC general equipment purchases:

* $7,000 on District Master Card – total payment of $7,163.43
* $1,000 on CCC Master Card – total payment of $1,024.22

The itemized purchase records have been submitted to the District, with appropriate purchase order forms, and will appear on the September 2021 Master Card Statements.

David made a motion to approve the financial package consisting of:

* The Financial Statements
* Credit Card Detail
* Bank Reconciliation

The motion was seconded by Lynn. The motion was approved.

1. **Executive Session – Review of public employee performance**

In accordance with RCW 42.30.110(g) “To evaluate the qualification of an applicant for public employment or to review the performance of a public employee” the Board held an executive session during the regular meeting commencing at 10:25am. The executive session ended at 10:35am and the regular meeting recovened at that time.

1. **Old Business**

District Manager compensation - Action

Vicki made a motion reclassify District Manager’s wage to the top of the range. The motion was seconded by Lynn. During the discussion the board conveyed gratitude and appreciation for District Manager performance. The motion passed.

SJICD Policy Review:

Review of District policies has been to clean up internal policies into 3 distinct policies eliminating overlap and conflict and assuring consistency with Commission directives. The District Policy Sub Committee has 4 members: Vicki, Paul, Deanna and Tony.

* **Governance Policy**

Lynn made a motion to add the following wording, as recommended by the Policy Sub Committee, into the District Governance Policy. She was seconded by David:

*Cost Share Conflict of Interest*

*Whereas,*

* *San Juan County has a small, rural population and confined land area,*
* *Landowners interested in farm and forest conservation practices comprise a small group of people, often with strong personal connections,*
* *It is in the interest of SJICD to have supervisors and other volunteers be actively engaged in and familiar with the programs the District offers,*
* *Cost-share funding is allowed for District Supervisors under the WA state exemption in RCW 89.08.220(4).*

*Therefore,*

* *Cost-share awards will remain available to District Supervisors per RCW 89.08.220(4) and in accordance with all other district policies;*
* *Cost-share will always be awarded to applicants based on a transparent ranking process that is approved by the Board and implemented by staff;*
* *If there is a concern of fairness or conflict of interest for a supervisor or staff approving a cost share project or its ranking criteria, the supervisor or staff will recuse themselves from the decision-making process;*
* *Approval of cost-share projects not requiring board approval will involve a staff team that consists of the District Manager and at least two staff members;*
* *The Board of Supervisors will be involved in the review and approval of cost-share goals, which are also expressed in the SJICD Annual Plan.*

The discussion included the fact that some Districts actively support qualified District Supervisor participation in cost-share to showcase the program and encourage farmer participation. This will clean up the contradicting language between Conservation Commission and SJICD. The motion passed.

* **Cost Share Policy**

Lynn made a motion to amend existing Cost-share policy as follows: “*The maximum cost share award is $50,000 for all cost share practices during a fiscal year between the cooperator and SJICD*”. The motion was seconded by David.

The discussion involved bringing District Policy to alignment with Washington State Conservation Commission as the prior amount was capped out at $50,000 over the course of the lifetime relationship. The conversation veered to establishing an order of priority of the list of criteria for awarding cost share. Emphasis was placed on being cost effective, while providing greatest results.

This led to Lynn modifying her motion to include replacing the existing priority listing for cost share project with the following modified list:

*“The SJICD Board of Supervisors gives high priority for cost sharing projects that satisfy one or more of the following:*

* *Part of a completed conservation plan*
* *Consistent with the* [*SJICD Annual Plan and 5-Year Plan*](https://scc.wa.gov/wp-content/uploads/2017/12/Draft-5-Year-Plan-2018-2023-002.pdf)
* *Part of a broader watershed management plan or project*
* *Specifically dealing with Critical Areas, high risk areas as denoted by other published reports*
* *Providing the greatest likelihood of improving soil or water quality, plant and livestock health*
* *Addressing wildfire risk reduction and increased forest health*
* *Providing funding to areas or landowners that have not previously received any*
* *Providing the greatest benefit in the most cost-effective manner*.”

The modification to her motion was seconded by David.

Due to the time taken the motion was tabled with no vote, and it will be revisited with more refined language in the next board meeting.

* **Employee Handbook**

All additions and changes related to transition from a Policy Manual to Employee Handbook were summarized and included items such as:

* + Inclusion of the wage schedule
	+ Removal of vacation payout
	+ Credit card policy update
	+ Staff title changes
	+ Document name change
	+ Maternity leave is well defined, but the regulations governing the requested paternity leave will be researched and this will be brought up in the next board meeting.
1. **New Business**

Action Item – acceptance of WSCCC Livestock Technical Assistance (TA) award for $20,000. David made a motion to accept the award and was seconded by Lynn. The Board approval includes matching the Commission’s effective date of the grant of July 1, 2021. The motion carried.

Cost Share Rates Approval – approval of up to $22/hour for landowner hourly rate up to 100% reimbursement rate for projects completed by landowners. David made a motion to approve this agenda item and was seconded by Lynn. Resolution number for Formstack 2021-002 (required for Formstack). The discussion covered the District’s existing self-proclaimed 75% reimbursement rate. David amended his motion to include the words: Beginning in July 1, 2021 and to be reevaluated biannually and the amount “not to exceed 100%”. Lynn seconded the change. The motion passed.

Board self-evaluation – discussion and action. The discussion included contacting the Regional Manager Jean Fike for additional information about Board self-evaluation, and to find out the procedures used by other districts.

Staff evaluation of the Board was discussed and Board members asked what they could do to support and work with staff, which led to conversation about the channels of communication and the efficiencies gained by the District Manager being the focal point of communication with the Board. This would also minimize miscommunication and repeating known information. Within a small District it is more effective for the District Manager to be the main person who communicates with the Board.

1. **Subcommittee Updates**

Forest Health Collaborative (FHC) Subcommittee – included in Staff and Program Reports.

Policy subcommittee – Included in Old Business.

No additional information was covered.

1. **Staff and Program Reports – discussion as needed (Enclosure).**

Briefly discussed:

* Garrison creek restoration and cutthroat trout has been observed in the creek
* No-Till Drill is being repaired by Bruce and the District has 3 potential rentals.
* ICC has hired 8 professional quality employees with excellent group dynamics.
* Wisewood study of the Biomass Energy System for Orcas Island. This project is entering the 2nd phase and OPALCO will be taking the lead in the project.
* DFL regulations and the demand and capacity to merchandise forest products. The market conditions are challenging for small forest land owners who may have to remove their property from DFL and pay back taxes.
* The Senior Natural Resource Planner position for the District has been posted.
1. **Upcoming Trainings/Webinars/Events**
* Several staff members attended San Juan Island Farm tours on September 23-26, 2021.
* Orcas Island Farm Tours are scheduled for October 1-3, 2021.
* Lopez island Farm Tours are scheduled for October 15-17, 2021.
* Discussed the signup opportunity for “The Ants & The Grasshopper” online documentary film screening which was promoted on the Farm Tour Brochures: Video-on-Demand September 24-30. September 30 Q&A with film producer Raj Patel.
1. **Idea Pot**

An extensive conversation was held concerning the possibility of establishing a “Conservation Campus” on the following property:

* 2687 West Valley Rd. on San Juan Island which is currently listed for sale at $3,495,000. The property includes:
	+ 42 acres of forest and pastureland along a creek that supports an endangered anadromous fish - evidently the only place left in the San Juans where the species still survives
	+ 4,338 sf 10bd 9ba farmhouse
	+ 1,440 4bd 2ba guest house
	+ 1,700 sf office building
	+ 10,500 sf barn with 16 stalls and large usable lofts
	+ 4,400 sf arena
	+ Horse stable
	+ Pond

Past uses of the property include:

* + Private residence
	+ B&B
	+ Wellness retreat
	+ Equestrian activities

The advantages of the proposal would be:

* Showcase countywide joint conservation efforts.
* Solidify the position of the Conservation District and other conservation organizations in San Juan County.
* Continue protection of endangered species and fragile environment.
* Ability to provide much needed housing for conservation crews.
* By moving District operations to the site could eliminate rental payments for office, equipment storage and meeting space.
* Accommodate long-term growth of the District.
* Long-term appreciation of the property.
* Other income potential for the site from leasing equestrian or pastureland.

The challenges:

* Funding and administration

Path forward is to explore the project jointly with:

* San Juan County Land Bank.
* San Juan Islands Preservation Trust.
* Private donors.
* Bureau of Land Management.

(As a historical information addendum to the minutes it is mentioned that according to San Juan County records the current owner Jobe Holdings, LLC purchased the property on 11/27/18 for $1,100,000. The purchase was financed by a $880,000 - 10 year note from Islanders Bank maturing on 11/30/28 and a $120,000 - 3 year note from States Inn Ranch, Inc. maturing on 12/1/21. Total repair and maintenance costs from the purchase date are not known).

Briefly discussed a 58.42 acre waterfront property on Orcas Island which will be listed for sale. It has the possibility of helping with public access to Point Doughty State Park. The Land Bank has expressed some interest in this property. The price range has not been established yet but could be between $5,000,000 and $10,000,000.

1. **Partner Reports**

According to Alan Chapman from WACD:

* Northwest Area Association Zoom meeting of 10/14/21 will be hosted by Bill Blake at Skagit CD. The Agenda will be available for review.
* Resolutions are circulating seeking NRCS to compensate landowners for riparian buffers.
* Plant Materials Center (PMC) sales are ahead of projections.
* CDs will continue coordinate projects with tribal communities.
* WACD committee is working on investment policy for cash reserves.
* Discussion of possible changes in by-laws covering terms of officers, virtual attendance voting and investments.
* Currently the November 30 WACD Annual Business meeting in Tacoma is scheduled to be “in person”, but pandemic conditions are closely monitored.
* The Diversity, Equity, Inclusion (DEI) Committee is encouraging greater diversity for staffing on the state level.
* The Elections Committee is considering policy changes.
1. **Public Comments - None**
2. **Adjourn**

Meeting adjourned at 12:00 Noon.

**Next General Meeting: Tuesday, October 26, 2021.**

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