**SAN JUAN ISLANDS CONSERVATION DISTRICT**

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

**June 28, 2022**

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

**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 (absent); Alan Chapman, WACD NW Region Representative; Robin Buckingham, Resource Conservationist National Resources Conservation Service (NRCS) Mount Vernon Field Office (absent); Ryan Baye, WACD Director of Member and Legislative Services

**Public:** None

**MEETING SUMMARY – Final**

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

**Welcome and Introductions:**

Ryan Baye introduced himself as the Director of Member and Legislative Services of Washington Association of Conservation Districts (WACD). He attends periodically to present the Board with WACD updates and monthly briefing.

1. **Agenda Approval:**

The Agenda was approved by consensus. No changes were presented.

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

David made a motion to approve the 5/24/22 Regular Meeting Minutes. The motion seconded by Carson and carried without discussion.

1. **Financial Officers Report:**

The Financial Manager gave the following summary of the District’s financial position, continuing to confirm financial stability:

5/31/22 Balance Sheet

The 5/31/22 bank deposit balances showed an improvement over the previous month end:

Total deposit account balances at 5/31/22 were $323,681.01– as compared to $267,898.78 at 4/30/22.

* $243,681.01 in Banner Bank operating account ($187,898.78 at 4/30/22)
* $80,000.00 in Liberty Bank reserve account (no change)

The current Banner Bank operating account deposit balance as of the Board Meeting date on 6/28/22 had further increased to $284,114.43 reflecting collection of May and April receivables.

It was mentioned that most of the invoicing shown as income on the May month end Statement of Revenue and Expense has usually not been collected by the time of the financial statement preparation. Under the Accrual Basis of Accounting the previous month’s hours and expenses are invoiced during early part of the following month and collected over the next 2 months.

Total Receivables at 5/31/22 amounted to $265,109.23, while the receivables at the Board Meeting Date of 6/28/22 were $79,895.06. Even if the District had still not collected April and May VSP invoices totaling $10,798.05 it has engaged in vigilant collection efforts and been assured by San Juan County that they have been sent for payment. There was a brief discussion of the delays in historical VSP invoice processing.

Despite the District’s capacity to make an additional transfer to the Reserve Account the Management decided to retain the funds in the Operating Account since 6/30/22 is the Commission’s Fiscal Year End and Implementation funding has been exhausted. June hours which would usually be assigned to Implementation will be assigned to Assessment. This will directly deplete the District Deposit account as the expenses cannot be recovered under grant invoicing.

5/31/22 Statement of Revenue & Expense

The following substantial “Ordinary Income” items were highlighted:

* Assessment Income of $9,927.88
	+ First half property taxes are due by April 30 making April the largest month of property tax receipt revenue with substantial amounts also received in March and May of each year.
	+ Second half property taxes are due by October 31 making October and November also significant months.
* DNR Income of $34,415.00 which reflected invoicing under the 3 DNR Grants.
* ICC Income of $38,812.00 was composed of the $22,750 donation from Orcas Island Community Foundation, $2,440 donation from San Juan Island Community Foundation and ICC Invoices for work on Land Bank and Public Works. ICC also invoices DNR grants which are adjusted on the financial statements to assure appropriate credit to ICC.
* Implementation Income of $12,371.46. The Implementation Grant received additional $13,000 funding in May, however, as shown on Grant Balance Tracking report the grant is almost fully depleted with only $418.10 remaining.
* Lummi WAFAC Income of $15,250.00 was a single invoice with no corresponding hours/expenses.
* VSP was invoiced for $3,681.25 but funds have not been received by the Board Meeting date for April or May invoices.

The larger “Ordinary Expense” items were explained as follows:

* $17,355.09 Consultation included amounts third parties covered within grant contracts and recovered via grant invoicing:
	+ $7,445.14 to Oregon State University invoiced under Commerce Grant.
	+ $1,491.81 to Western Washington University and $1,200 to Warthog Information Services both invoiced under Career Connect Grant.
	+ $5,000.00 to Billy Metteba invoiced under Lummi Guardians Grant.
	+ $2,218.14 to members of the team working on the Eelgrass Grant.
* $12,250.00 in Rent included the District monthly office rent of $1,750.00 along with 5 months of accumulated rental assistance to various ICC staff members at $350/mo.
* $531.00 Accounting – R&R Accounting has substantial knowledge of the District Operations spanning over many years and has been supportive of the District. However, with the inflationary pressure the District may experience a cost increase in the near future.
* $2,600.73 Computer Equipment – purchased a new laptop computer for a Planner.
* $840.94 Office Supplies – purchased annual Quickbooks subscription and printer cartridges.
* $2,010.21 Travel & Training included reimbursement for Planner training in Spokane along with reimbursements for ICC staff travel.
* $81,232.75 Cost Share disbursements under DNR-Shovel Ready grant. District received proceeds from grant invoicing prior to the disbursement.

As stated during the previous month, the income amounts shown represented invoiced amounts less the indirect income which is now tracked separately under Other Income. Tracking this amount will aid the District with grant writing and planning, as well as budgeting.

In summary, during May 2022 the District recorded a deficit $26,934.04 in comparison with the previous month’s surplus of $114,208.67. This reflected primarily the fact that DNR grants were invoiced in April, while the Cost Share payments were recorded in May.

Credit Card Detail:

The credit card detail report displayed mostly standard operating and recurring charges. The fraudulent charges on the ICC card have been resolved and the negative balances have been transferred to the new, replacement, card. No activity under the YCC card.

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 also prepared by R&R Accounting and would reveal any unusual transactions, and it constitutes an essential part of the District’s double control of finances.

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

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

The motion was seconded by Lynn and carried.

Grant Progress and Pipeline Reports:

Grant applications are being processed by the District in order to access available new funding from:

* Salmon Recovery Funding Board (SRFB)
* Island Marble Butterfly through US Fish and Wildlife

It was also mentioned that $10 million has been allocated to the Washington State Conservation Commission in the fiscal year 2023 supplemental budget specifically as Salmon Recovery Funds. Some of this funding would fit well with local riparian restoration efforts such as our Garrison Creek Program.

A shovel ready riparian project committee was discussed with members from:

* San Juan Preservation Trust
* San Juan Conservation Land Bank
* Clean Water Utility
* San Juan Islands Conservation District.

Emphasis was made to concentrate efforts in outreach, landowner contacts and site plans in the following two primary watersheds:

* False Bay Watershed.
* Crow Valley Watershed.

Other additional Commission funding was also briefly mentioned including

* $3 million for VSP
* $2 million for Sustainable Farms and Fields.

The Grant Pipeline does not yet reflect all potential grants, especially the ones in early stages of application.

1. **Old Business**

Board Supervisor appointment

The district has solid leads to two potential candidates. Discussions continue with both.

Staffing updates

* One of the District Planners left her employment in June.
* A retired employee was asked to return to the District starting in June for 12hrs/week.
* District has stayed in contact with a potential new staff member who is looking for suitable housing.
* District officials have also contacted another NRCS Certified Planner who has expressed interest in moving to the Islands.

July board meeting – discussion to hold a July meeting or not

Due to staff vacations in July a possible bye month was discussed. There is no requirement to hold a meeting each month so long as any cancellation of previously scheduled meetings is properly noticed. Several other districts are not holding summer meetings due to harvest and other farming activities taking place during July/August.

David made a motion to not hold a July board meeting and was seconded by Lynn. The motion passed.

1. **New Business**

Motion to establish June 19th as a District Holiday – Juneteenth is a WA State and Federal holiday in the United States commemorating the emancipation of enslaved African Americans.

Carson made a motion to approve June 19th, or Juneteenth, as an official District Holiday. Motion was seconded by David. This will be the 12th paid annual holiday for the employees and impact Composite Rates. The motion passed.

Countywide assessment fee updates – Discussion and motion to approve Rates & Charges (Assessment fees) on publicly owned parcels in SJC.

The Discussion concerned the list of 18,554 parcels provided annually to the District by the San Juan County Treasurer’s office requesting comments about which parcels should be assessed.

Ordinance 13-2019 (copy attached) establishes a schedule of rates providing exemptions for:

* Landowners qualifying as Low-Income Senior Citizens
* Lands with assessed values of less than $500.00

It also quotes RCW 89.08.400 and RCW89.08.405.

RCW 89.08.400 (3) states that:

“Public land, including lands owned or held by the state, shall be subject to special assessments to the same extent as privately owned land”.

Most public lands held by Federal, State, County and Town have current San Juan County taxable values of $0 despite containing substantial acreage.

Conversation topics also included other properties with -0- values such as:

* San Juan Islands Preservation Trust.
* Educational institution owned properties.
* Port properties.
* Religious institution owned properties.
* Library district properties.
* Fire districts.
* Cemetery properties.
* Homeowner association common lands.
* Community organization, nonprofit owned parcels marked exempt by DOR such as:
	+ YMCA
	+ Camp N’orwester
	+ Whale Museum
	+ Food Bank
	+ Community Centers
	+ Wolf Hollow
	+ Home Trust

The list also contains airplane hangar condominium units on Port owned property, as well as condominiumized moorage slips. The assessment of these properties is not clear as RCW89.08.400 (3) states:

“Lands deemed not to receive benefit from the activities of the conservation district shall be placed into a separate classification and shall not be subject to the special assessments.”

Approximately 1,600 parcels of various sizes are excluded from assessment with the challenges being:

* Determining appropriate assessments for parcels while abiding by the RCWs.
* Determining the benefits to landowners from District work.
* Determining which parcels may be owned by Low-Income Senior Citizens.

The Board members are in agreement to have the District Manager contact the County Manager, Mike Thomas, to determine the steps and likelihood of being able to pass an updated Ordinance addressing district assessment of all applicable parcels.

Employee Handbook Pay Scale updates – Discussion and Motion to approve adjustments to Employee Pay Scale, spreadsheet attached.

The Pay Scale approved in 2021 is updated due to the substantial Cost or Living increases with current nationwide inflation running at approximately 8.50%.

Lynn made a motion to approve the increase in the current “High” column of the District Pay Scale is increased by $5.00 for each position in order to:

* Remain competitive in the current strong labor market.
* Retain staff and staff satisfaction.
* Attract qualified new staff.

David seconded the motion.

The discussion included:

* Due to the improvement in finances the District is currently in a position to offer additional pay to staff members.
* The vacation accrual rates of staff members will also be adjusted to match State of Washington rates.
* The currently stated 2.50% annual pay increase would be insufficient to retain or attract new qualified staff.
* The District Manager’s salary and performance evaluation can be discussed in an Executive Session but this is not a requirement.
* The District Manager should retain the discretion about individual salary changes.

The motion was approved.

David made a motion to hold an Executive Session to review and evaluate District Manager Performance within the September 2022 Board Meeting. Carson seconded the motion and the motion carried.

1. **Staff and Program Reports**

Staff and Program Reports document attached.

Along with attached report, the following items were briefly discussed:

* DNR is launching Cost Share program in Western Washington and is looking to work with the District on shovel ready projects, including receiving the district’s waitlist of owners.
* YCC starting 1st week of work and had 13 youth participating on Orcas and 12 on San Juan Island with no formal program on Lopez this summer.
* ICC was wrapping up the last week of the season after a 73 day session of working on Land Bank, State Parks and Preservation Trust properties.
* ICC Program Coordinator will be resigning in the middle of July to pursue other ventures.
* ICC Masters Program.
* ICC Buck Mountain Presentation.
* Three of the Current ICC crew members will be establishing their own Riparian Restoration Business.
* Contract with the Lopez Island School District to construct a protected habitat area at the Lopez school campus.
* Discussed a site visit with Island Marble Butterfly eggs visible which will turn to caterpillars and then new butterflies.
* Eelgrass seeds which were collected last summer have been planted in Hessian bags and are showing growth.
* Regional Forest Plan concentrating on forest planning and data collection needs on Waldron Island.
* Harmful Algae Working Group and Climate Sustainability Committee were briefly mentioned.

Fire Risk Prioritization Report was discussed along with hazard risk assessment mapping. One of the District Planners will present the Board with the findings in a future meeting.

White paper on “Restoration of Eelgrass in the Salish Sea” has been posted on the District website.

1. **Subcommittee Reports -**

Forest health Collaborative (FHC) – did not meet.

Policy – did not meet.

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

The District encourages staff to take advantage of voluntary training and webinars.

1. **Idea Pot**

There was discussion about the school on Waldron Island planning redundancies in their heating system ranging from propane to wood to a boiler system.

There was conversation about the Wisewood Energy study utilizing the excess biomass on the islands for energy conversion.

The idea of a revolving loan fund was brought up to help local landowners with small crop and equipment financing while earning a return on the District’s reserve account. It was acknowledged that this opportunity will require further study to the mechanics of lending which could potentially involve:

* Loan Application.
* Promissory Note.
* Security Agreement.
* Collateral safekeeping and valuation.
* Repayment methodology.
* Collection.
* Interest Rate.
* Reporting to State Auditors Office.

Discussed Garrison Creek Restoration and opportunities with the new owners of the old States Inn Ranch property including riparian restoration and farm planning efforts.

1. **Partner Reports**

Ryan Baye from WACD gave a summary of recent WACD activities and discussed the following 5 items:

* Venue for the 22-23 Annual Conference which will be held at the Wenatchee Conference Center.
* Adoption of Annual Work Plan.
* Adoption of Budget.
* Operation of Plant Materials Center continues to be successful and a portion of the savings will be used to establish and endowment account for WACD and offer additional potential services to membership such as:
	+ Information Technology
	+ Human Resources
	+ Grant Writing

The expensive election processes with radio and television advertising were mentioned to take place in Whatcom, Kitsap and Mason County Districts.

Alan Chapman from WACD confirmed movement of funds from money market account to an investment account which should result in higher returns and additional funding to be allocated to Conservation District services.

Robin Buckingham from NRCS provided the District with an email update from the NRCS Mt Vernon Field Office including:

* FY22 Conservation Steward Program is in its final round having received 13 applications and the majority of these being in forestry.
* A new program guide for Urban Agriculture has been released by USDA.
* The longest serving State Conservationist Roylene Comes At Night recently discussed her background and role with NRCS.
* The rare April snow along with record May rainfall improved the Washington water supply outlook.
1. **Public Comments**

None

1. **Adjourn**

Meeting adjourned by Vicki Heater at 12:00 Noon.

**Next Regular Monthly Meeting: Tuesday, August 23, 2022, 10:00 am to 12:00 noon.**