**SAN JUAN ISLANDS CONSERVATION DISTRICT**

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

**October 26, 2021**

**Location:** Zoom Meeting

**In Attendance**

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

Carson Sprenger, Angie Freeman Shephard

**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 10:00 am.

**Welcome and Introductions:**

A brief discussion was held during the introductions regarding the definition and regulations of a “Public Meeting” as some Board members expressed interest in more social and personal interactions prior to the meeting.

1. **Agenda Approval:**

David made a motion to approve the Agenda and was seconded by Carson. The motion carried without discussion.

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

Lynn moved to approve the September 28th Regular Meeting Minutes and was seconded by David. The motion carried without discussion.

1. **Financial Officers Report:**

The Financial Manager commenced his report by providing the following summary of the September 30, 2021 Financial Statements:

9/30/21 Balance Sheet

The importance of the Balance Sheet was emphasized as an indicator of District Financial Health as the Bank Deposit balance displays actual funds having been collected through invoicing, compared with the Statement of Revenue & Expense which only shows what has been invoiced and not necessary collected under the District’s Accrual Basis of Accounting.

* The total Deposit account balances at 9/30/21 amounted to $258,518.78 which signified financial stability again, being only $845.85 over the previous 8/31/21 month end balances of $257,672.93.
* The Financial Manager cautioned that the balances in the beginning of each month reduce by approximately $50,000 due to payment of Salaries and Benefits which are shown on the Statement of Revenue & Expense:
  + $36,735.70 Payroll & Payroll Tax
  + $ 3,485.05 Retirement Contributions by the District
  + $ 8,519.68 HCA Medical Insurance premium
  + $48,740.43 TOTAL
* The balances at the end of each month are built up by proceeds received from grant invoicing processed early each month.
* The actual liquidity position of the District is determined by deducting the prepaid grant proceeds shown on the Grant Tracking Spreadsheet from the bank balances:
  + $258,518.78 Bank Balances
  + <$82,948.99> Prepaid CCC Grant Proceeds
  + < $127.54> Prepaid Seacology Grant Proceeds
  + $175,442.25 DISTRICT LIQUID FUNDS
* It was mentioned that the current balance in the Banner Bank operating account as of 10/26/23 was $237,940.25, but this is being depleted by $8,000 as the district purchased a 1998 Toyota Truck for ICC on 10/25/21.
* The amount retained in the District Reserve account at Liberty Bank remained at $20,000 plus interest of $17.27.
* Projecting some of the larger additional sources of liquidity for the following quarter (Q4 on Calendar Year Basis and Q2 on Fiscal Basis) the following were identified:
  + $22,000 approximate 2nd half property taxes to be received in November.
  + $12,000 from Land Bank to be invoiced by YCC.
  + $11,743.15 in unpaid Regional Forester invoicing (Jul, Aug, Sep 2021). The funds have been attributed to the District but not yet received.

9/30/21 Statement of Revenue & Expense

During September 2021 the District demonstrated 21 sources of grant and other revenue, however, the following 5 grants accounted for 70% of the total:

* 17% or $13,504.48 from YCC, primarily reflecting funding from Madrona Institute and the fees they receive from specialty license plate sales.
* 16% or $13,094.12 from CCC-OICF reflecting prepaid grant depletion via continuing work and equipment purchases.
* 14% or $10,877.40 from SCC Implementation funding to cover District Administration. The YTD total Implementation for Q1 of the Fiscal Year was $26,475.56, it is carefully monitored and amounted to $23% of the total allocated funds of $117,000. This funding is mainly reserved for the District Manager and the Financial Manager.
* 12% or $9,213.64 from Career Connect Grant.
* 11% or $9,128.10 from VSP Grant.

Ron Zee from the Madrona Institute has been supportive of the YCC program and has committed future funds from the San Juan Islands Special License Plant to youth programs.

It was mentioned that all staff members received performance related raises in October. This reflected the continuous improvement of District performance as a whole, improvement in staff performance, competitive pressures to retain staff, and increasing inflationary environment.

As most of the District revenues are directly related to invoicing out staff time on grants this will result in overall increase in income, which will be mostly offset by increased payroll expense and retirement benefits (calculated as % of monthly pay).

Unusual expenses for the period included:

* $2,396.77 – upgrade of Planner computer. Covered by Assessment.
* $7,440.59 – CCC and YCC equipment purchases including chain saws, trimmers, various hand tools and safety gear. Covered by grant income.

In compliance with applicable state laws, regulations and policies SAO will conduct a standard Audit of the District covering the years ending 12/31/19 and 12/31/20. The cost of the Audit is expected to be $8,500 and it will be completed in January 2022.

Credit Card Details Report for September 2021

Due to the purchasing schedule of CCC and YCC the District made the following excess payment on credit card invoices to open up availability for CCC and YCC equipment purchases:

* $5,000 on District Master Card – total payment of $8,923.64

Excess payments were also made during the previous credit card cycle to accommodate district operations and were outlined on the 9/28/21 Minutes.

Bank Reconciliation Report for September 2021

In order to safeguard public funds the District adheres to a policy of third party bank reconciliation. R&R Accounting reconciles the Bank Statement of the District and prepares the Reconciliation Detail report.

A comment was made that Managers of the CCC/ICC and YCC programs have their own detailed budgets which are consolidated into the District numbers. They will be asked to present their program specific operational budgets to the Board.

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

* The Financial Statements
* Credit Card Detail
* Bank Reconciliation

The motion was seconded by David. The motion was approved.

1. **Old Business**

SJICD Policy Review revisit motion to approve Cost Share Policy:

The Policy Subcommittee met on 10/22/21 to discuss Cost Share Policy and to provide minor edits within the priority itemization and to assure that the policy wording is in alignment with the District’s Governance Policy and current state policies. (The full policy which was approved on 8/24/21 and updated on 10/27/21 is in the file).

Discussion entailed:

* 75% reimbursement and the 25% cooperator match, while WSCC allows for up to 100% reimbursement.
* $22.00/hr in kind labor rate of cooperators which is the WSCC guideline.
* Cost Share programs with other agencies, such as DNR, may have other requirements.
* $50,000 limit on Cost Share awards during a fiscal year.
* The third-party labor rates are spelled out within the contracts and not limited to $22/hr. It was acknowledged that in the current labor environment in San Juan County it would be difficult to hire a Contractor at $22.00/hr.
* Cooperator requirements regarding long-term adherence to Best Management Practices are outlined in the Agreement and Contract for Cost Share Funding.

It was emphasized that the policy should retain a degree of flexibility and the following example was cited:

* A landowner in a critical priority area may not have sufficient funding to cover the 25%. However, there may be other funding sources available through other agencies/organizations. As Cost Share is a valuable (and limited) asset the partnership model is highly encouraged by the District.

The District realizes the importance of the limited amount of Cost Share funding available which should be shared with the cooperators.

David made a motion to approve all changes as outlined by the Policy Subcommittee. Carson seconded and the motion was approved.

Board self-evaluation discussion:

David made a motion to adopt the self-performance evaluation form for Board of Directors. The motion was seconded by Vicki.

The discussion entailed the various items included in the form, and the development of the form (copy enclosed) which calls for numerical assessment from 1 to 5 (1 being outstanding and 5 being does not meet requirement) of the following main subjects:

* Effectiveness of Board Performance
* Appropriateness of Board and Board Chair Behavior
* Effectiveness of Board’s Relationship with District Manager
* Performance of Individual Board Members

It was determined that there is no provision to evaluate the feedback in an executive session, rather they should be presented in an open meeting. This led into conversation about how this might limit the “candor” of the responses. It was also mentioned that Board Training Workshops are available to improve Board performance and effectiveness. Also, a retreat for staff and Board was recommended as a solution to further improve communication and build up team atmosphere.

It was determined that the forms would be sent to the District Manager who would compile the information and present it to the Regional Manager.

Time will be set aside in the next Board Meeting to discuss the responses.

The motion was approved.

1. **New Business**

The order of discussion was changed from the Agenda.

WSCC Engineering Cluster Inter Agency Agreement - Action

David made a motion approve the recommendation that for improved efficiency the “Interdistrict Agreement for Providing Professional Engineering Services”, which is administered by Skagit Conservation District, be renewed every 5 years instead of every 2 years. (A copy of the Agreement terminating on 6/30/21 is in the file). The motion was seconded by Carson.

The discussion covered the practicality of the District Manager signing the updated agreement and the fact that the engineering services are funded by a grant agreement with WSCC.

The motion passed.

Snohomish CD Regional Forester Interlocal Agreement - Action

No action was required as the final documentation had not been presented to the District.

The administration of the federal EPA “Forest Health Management for Reduced Stormwater Runoff and Land Conversion” grant for $541,100, which is passing through Washington State Fish and Wildlife, was changed from King CD to Snohomish CD with San Juan Islands Conservation District being the subrecipient.

The administrative changes included:

* Increase in the San Juan Islands Conservation District subrecipient amount from $83,992 to $105,420.
* Inclusion of 10% indirect amount.

Property Acquisition – Discussion

An extensive conversation was held concerning the vision and opportunity to establish a conservation campus on San Juan Island which could further serve as a Western Washington Regional Conservation Center.

In May 2017 the Spokane Conservation District has purchased a 50 acre site for $1,225,000 - which was originally listed for $3,500,000 – and has embarked on a 10-year plan to establishing a regional conservation campus on the Eastern side of the state.

A potential property was identified by the District:

* 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

On 10/18/21 Board Member Lynn Bahrych toured the site with Paul Andersson, Zoey Chue and Tony Fyrqvist from the District Office along with representatives for Sotheby’s Realty and the owners of the property.

The property was deemed to be very impressive with functional office space, upper end housing opportunity for ICC crews, and a caretaker residence. Discussion also included the possible desire of existing owners remaining on the property as caretakers, selling a preservation easement or portion of the excess land to another entity.

While the opportunities and benefits to the District would be substantial the following challenges were identified:

* Funding for purchase price.
* Covering operational costs.
* Maintaining the property.
* Working within the mission of the Conservation District.

District finances have only recently stabilized and this was viewed to be substantial project which would stretch the resources in light of all of the current activities.

Alternatives identified with capacity to own/maintain the project included:

* Purchase by a consortium including:
  + Huxley College of Western Washington University
  + Washington State University
  + San Juan County Land Bank
  + San Juan Preservation Trust
  + Private Investors

1. **Subcommittee Updates -**

Forest Health Collaborative (FHC) Subcommittee

Covered under Program Reports Attachment.

Policy Subcommittee

Cost Share information covered under 4. Old Business.

The Employee Handbook is currently being revised.

Diversity, Equity and Inclusion (DEI)

This is a newly established committee deemed by staff to be exceptionally important, and applicable to the District mission with particular emphasis on:

* Indigenous relationship and lands
* YCC operations

As a first step, the subcommittee will make a recommendation regarding District adoption of a indigenous lands acknowledgment statement that can be read preceding public meetings and be posted to the website.

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

Briefly discussed the enclosed Staff and Program Reports informative which could be formatted as a District Newsletter.

A recommendation was made to have the program managers make more regular presentations to the Board and finding other ways for the board to learn more about the detailed workings of each program more frequently.

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

The Ag Summit will be scheduled for the end of February or early March 2022.

Carson reported on his work with Huxley College students who are working on their final projects. He complemented on the high quality of work and capacity of the students working on their final project within interdisciplinary teams.

Support by Board was expressed for ecological restoration projects around San Juan County with emphasis on Forestry and Riparian/Aquifer restoration

Local project will be presented on 12/7/21 from 2-4 on Orcas Island.

A special mention was made of CCC completing United States Forest Service (USFS) chainsaw training with Kai and Zoey grading at the highest level.

It was also mentioned that the United States Geological Survey (USGS) conducts water budget studies which determine the rate of change in water stored in an area, such as a watershed, is balanced by the rate at which water flows into and out of the area. These would provide valuable information for the District.

It would be valuable to obtain data and study the “Agricultural Use of Water” in San Juan County. San Juan County Environmental Health Manager could have valuable information about the local water resources.

1. **Idea Pot**

The 2021 Farm and Food Symposium November 5th and 6th is being held at The Centennial Hotel in downtown Spokane. This year’s conference theme is *Better Soil, Better Food, Better Health.*

Lynn will be presenting at the Symposium, speaking about the relationship of nutrients in soil with nutrients in food.

1. **Partner Reports**

According to Alan Chapman from WACD:

* WACD Annual Business Meeting is held on 11/30/21 at the Hotel Murano in Tacoma and a virtual option is provided for those who do not wish to attend in person. The Banquet is scheduled for the day before on 11/29/21. Details can be found on the website.
* The Legislative, Bylaws, and District Policies Committee
* The Legislative, Bylaws and District Policies and the National Resources Policy Committees continue to be active.
* The Diversity, Equity, Inclusion (DEI) Committee is evaluating costs and work prioritization.
* WACD Executive Director Tom Salzer is in process of naming Ryan Baye and Jim Brown as Assistance Directors as he will be working on his transition to fewer responsibilities.
* Attendance in the WACD Annual Conference is encouraged. The cost is $50/person or $150 per organization to attend all sessions. The $150 registration is preferable to most districts as it allows everyone’s attendance. Vicki and Lynn expressed interest in attending the Conference.

Jean Fike from WSCC commented as follows:

* Kirk Robinson has been named as the Interim Director of SCC after the retirement of Carol Smith.
* SCC is in process of developing a 5-year Strategic Plan and is requesting District comments by 11/5/21.
* The updated Cultural Resources Policy has been posted on the WSCC website.
* District Board Members and staff were encouraged to attend the WACD Annual Conference with the remainder of sessions taking place on Tuesdays, Thursdays and Saturdays (Nov 2, 4, 6, 9, 11,13, 16, 18, 20)

1. **Public Comments**

None.

1. **Adjourn**

Meeting adjourned at 12:15PM.

**Next General Meeting: Tuesday, December 28, 2021.**

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