**SAN JUAN ISLANDS CONSERVATION DISTRICT**

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

**December 28, 2021**

**Location:** Zoom Meeting

**In Attendance**

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

Carson Sprenger

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

Linda Lyshall (absent)

**Staff:** Paul Andersson, Tony Fyrqvist, Bruce Gregory, Kelsey Kittleson

**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:**

Prior to the approval of the Agenda there was general conversation about the current inclement weather with related implications to local farmers and staff members. It has been an unusually cold and snowy end of December. Also, a farm location on San Juan Island recorded 11.53” of rain in November, with the regular rainfall being 4”.

While dispersing emergency aid and funding is not generally considered a mission for the Conservation District there was discussion of NRCS providing disaster relief; and the District expressed concern for the needs of local farmers and landowners.

1. **Agenda Approval:**

The Agenda was adopted by consensus according to the Roberts Rules of Order. There was no discussion.

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

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

1. **Financial Officers Report:**

The Financial Manager provided the following summary of the November 30, 2021 Financial Statements commencing with the Balance Sheet (as is customary in Financial Statement presentation):

11/30/21 Balance Sheet

The District continues to demonstrate stable liquidity:

* The total Deposit account balances at 11/30/21 amounted to $267,225.72 which was higher (by $26,944.71) than the $240,281.01 balance recorded on 10/31/21.
* 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:
	+ $267,225.72 Bank Balances
	+ <$37,972.59> Prepaid CCC Grant Proceeds
	+ < $3.98> Prepaid Seacology Grant Proceeds
	+ $229,249.15 DISTRICT LIQUID FUNDS (compared to $173,417.15 at

 10/31/21 – $55,832.00 increase)

* As the deposit balances on the Financial Statements are from the previous month end – lagging almost a month behind – the Board is presented with the current balances as an early liquidity indictor to alert the Board to any warning signals, which at the moment are nonexistent as the 12/28/21 balance in the Banner Bank Operating account was $267,579.07 – almost unchanged from the previous month end balance. Informing the Board of the current account balance was also encouraged by the SAO Auditor in conjunction with the District’s currently ongoing audit.
* The total Reserve Account Balance at 11/30/21 was $40,000 after the transfer of an additional $20,000 on 11/9/21 (CHK #6679).
* The Accounts Receivable of $109,369.08 reflected the amounts not yet collected from the high volume of activity during November 2021.

11/30/21 Statement of Revenue & Expense

District invoicing volume continued at above average during November with over 25 invoices sent. The usual number of monthly invoices has ranged between 9 and 18.

Total Revenues amounted to $166,473.75 (compared with $215,641.33 at the end of October). Comments were made of the some of the larger and extraordinary new invoices:

* Lummi Guardians $25,000.00. Received the passthrough funds from a private donor John Roulac to support development of the Lummi Guardians program which will have a 10% indirect component for District Fiscal Management.
* Career Connect Funding of $10,039.24 which included a $5,000 invoice to Coast Consulting.
* We did not invoice DNR for November hours as the two contracts are being amended to allow for monthly invoicing.
* Farm Tours Income of $5,085.85 will be adjusted with R&R Accounting as the actual amount received was $3,618.25 being the balance under the LTAC Farm Tours Grant for $4,000. The grant was carried on the Grant Tracking Sheet at the originally applied balance of $5,000. The County had reduced the award to $4,000 at approval.
* November Implementation invoicing of $10,336.62 is on track as total Implementation funding for the fiscal year amounts to $117,823 divided by 12 = Target of $9,818.58/mo. For the first 5 months the Target is $49,092.90 while the District has spent a total of $47,435.70.
* Island Marble Butterfly (IMB) Income of $20,336.62 includes payment to Washington Conservation Corps of $15,870.17 which was allocated under budgeted hours between:
	+ $5,237.15 IMB San Juan
	+ $10,633.02 IMB Lopez
* Orcas Island CCC Grant Income of $57,987.04 included a payment of the WWU Americorps Stipends for 900 hours in the amount of $36,000. Staffing costs for the month amounted to $5,713.58, while credit card expenses amounted to $2,557.44
* The Shellfish invoicing of $1,105.53 will be processed by SCC with other Shellfish invoices after the Grant has been approved by the Board at this Board Meeting and the Formstack Addendum has been processed.
* The YCC Donation Income of $5,155.59 included a major donation of $2,967.00 from an individual on Lopez Island.

Comments were made to explain the following Expense items:

* $40,246.37 under Services included the $36,000.00 fee paid to Americorps by CCC.
* $24,313.92 in Professional Services included the $15,870.17 paid to Washington Conservation Corps under the IMB grants and the $5,000.00 paid to Coast Consulting under the Career Connect grant.
* $55,653.46 in Cost Share Disbursements was paid to Blacktail, Bass & Beef from funding received in October under the DOH Grant.

In summary, during November 2021 the District recorded a Deficit of $14,921.84 compared with the Surplus of $129,734.38 during October 2021. This reflects the timing of receipts and disbursement of cost share and other funds.

In compliance with applicable state laws, regulations and policies SAO is conducting 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. The District is continuing to provide SAO with a substantial amount financial information. A number meetings have been held with the primary State Auditor Sasha Richart.

Some the items discussed have included the district plans for early detection and avoidance of liquidity shortfall as experienced in late 2019/early 2020. Current operational procedures include:

* Daily monitoring of Banner Bank operational account.
* Board reporting of current account balances along with month end financial statements.
* Establishment of the Reserve Account at Liberty Bank.
* Establishment of the $50,000 Line of Credit at Liberty Bank.
* Rapid monthly invoicing program.
* Automation of VSP Task Balance Tracking.
* Oversight by program Managers of their own financials with additional monitoring by District Manager and Financial Manager.
* Increased hours of Financial Manager from 25/wk to 35/wk allowing for additional time for financial monitoring as the 25/wk is usually fully consumed by just processing recurring regular transactions.

It has been mentioned that the Management Letter dated 12/9/2019 from the previous audit included a recommendation for a review of all journal entries performed by R&R accounting on a monthly basis.

Credit Card Details Report for November 2021

Credit Card Details Report was not discussed at length at this time.

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**

Board self-evaluation – Discussion to determine retreat agenda (Attached information):

The board self-evaluation is included as an agenda item at the January 25, 2022 Board Retreat which will include the regular Board Meeting.

The preliminary agenda consists of the following 9 items:

1. Board Self-Evaluation
2. 1-Year Plan
3. 5-Year Plan
4. 75th Anniversary
5. Retirement of Bruce Gregory
6. Officer Appointments
7. Turtleback Mountain Tour
8. Existing Programs Review
9. Role of District in States Inn Ranch or Alternative Property Purchase

The discussion included total time for the retreat, which could be from 4-6 hours depending on the ferry schedules and other logistics. Also, various alternatives for meals were discussed ranging from a potluck format to catering.

There was discussion about ICC and YCC as the major programs for the District, and their impact in long-term budgeting. The contributions of ICC and Kai Hoffman-Krull were acknowledged as the primary reasons for the recent district growth in District operations. However, for the longer term the District is expected to retain the current level of activity with the establishment of perennial grants.

WACD Annual Meeting 11/29 and 11/30 – Discussion of Resolutions and voting.

Lynn and Vicki attended the WACD Annual Meeting and briefly discussed:

* Future remote participation and voting
* Dues
* Election committee with possible one day statewide vote
* Extending terms of supervisors to 4 years

Overall, the tone of the meeting was lively with Equity, Diversity and Inclusion (DEI) being the most controversial topic. It was mentioned that in 20 years more than 50% of landowners/population in Skagit County will be Hispanic, highlighting the importance of DEI. Districts from the west side of the state and the east side of the state have shown differing opinions about DEI.

Resolutions are the primary tool by which the Washington Association of Conservation Districts establishes policies, positions, and actions on behalf of its membership. Resolutions are written by individual districts on topics with regional, state, or national significance for discussion at their region’s Area Meeting in October. Resolutions then are reviewed by a WACD committee before being considered by the full Association at the Annual Meeting.

According to Alan all 14 resolutions were adopted.

1. **New Business**

WSCC Grant Formstack approval – Action to accept Shellfish grant funds 22-03-SH in the amount of $62,500.

David made a motion to approve the Shellfish Grant 22-03-SH for $62,500. Lynn seconded. There was no substantive discussion and the motion was approved.

New board member appointment – Discussion of potential candidates.

There was extensive discussion of potential candidates including required and desirable qualifications. It will take a substantial amount of work and effort to be a productive Board Member making it essential that the Board Member is committed to the cause of the Conservation District and has the capacity to perform and communicate effectively with the other Board members.

Suggestions of potential candidates were provided by staff and board members. The list of names was narrowed to 3 potential top candidates who will be contacted by Paul or Vicki in the coming days and weeks.

The role of the Associate Board Member was also discussed. It could be expanded to become a more active position.

1. **Staff and Program Reports – Attached**

Staff presentation of Youth Conservation Corps (YCC) updates – Kelsey Kittleson.

Kelsey Kittleson, YCC Program Coordinator for the District – provided the Board with comprehensive overview of the 2021 Season:

* 5th year of the YCC program operating under SJICD
* 4,940 hours of stewardship activities during the 2021 season
* 31 youth crew members
* 30 project sties across San Juan County
* 12 land management agency partners

Three former crew members who demonstrated exemplary stewardship ethics were awarded Good Stewards Awards from the Stewardship Network of the San Juans.

Detailed pro-forma budgets were presented for 2022 and 2023 which included projected grants, a salary decrease to the YCC Coordinator by 10% per year reflecting other program duties, and initiation of a $400/student registration fee.

The currently ongoing “Big Ask” YCC fundraiser program included approximately 170 donation cards with newsletters sent out to the community by the YCC Advisory Committee.

The registration fee is deemed to be essential in order to develop a sustainable long-term program, and defraying the increasing costs. Many other youth summer programs/camps have registration fees, however, the District will be offering scholarships. The program will continue to offer stipends to participants which cover the registration fees.

The district will continue to seek assistance from the Orcas Island and San Juan Island Community Foundations to cover program costs.

The program will contain a more structured education system with a handbook of educational objectives and weekly themes for summer 2022 including:

* Team building and anti-bullying
* Human relationships with land
* Localized food systems
* Public Lands Management
* Endangered Species Preservation
* Forest and fire ecology
* Art as activism

It was also recommended that the program add an Indigenous Studies component to the curriculum. Continuing the partnership with the Whale Museum was seen as vital link with the educational component of the program.

The program will continue to explore:

* Expanding into off-season programming with year-round stewardship activities such as participation in the Alchemy Art Center Youth Environmental Art Program
* Re-examining the stipend structure
* Re-structuring education for summer programming
* Expanding community partnerships
* Strengthening relationships with school districts

The 2022 Work Plan presented for Kelsey Kittleson’s position spanned beyond just YCC work and contained detailed quarterly tasks divided among:

* YCC
* Island Marble Butterfly (IMB)
* Voluntary Stewardship Plan (VSP)
* Communications on social media, District website, and Stewardship Network meetings.
* Events such as WAFAC Conference, Orca Recovery Day and Farm Tours.
1. **Subcommittee Updates -**

Forest Health Collaborative (FHC) – Attached

The Lummi Guardians Program was discussed extensively and described as an attempt to create a program similar to the ICC for residents of the Lummi Reservation. The District highly values the partnership with Northwest Indian College with this effort.

Along with the appreciation of native lands and population the partnership has resulted in grant opportunities such as:

* A private donation for $25,000 from John Roulac who was the co-producer of the film “Kiss the Ground” which was released in September of 2020 on Netflix. The movie Kiss the Ground was narrated by Woody Harrelson and is a full-length documentary shedding light on a “new, old approach” to farming called regenerative agriculture, a practice with the extraordinary ability to balance our climate and feed the world. The District will be the fiscal sponsor of this pass through funding with a 10% indirect fee.
* New grant funding will be received from Washington Fire Adapted Communities (WAFAC).

The discussion also covered the new funding from DNR:

* The “Shovel Ready” grant has already received much interest with 11-12 applications for the $7,500 in cost share funding. The applications will be prioritized by the District.

WAFAC Conference will be held in April 2022. The opportunity to host the semi-annual field event was discussed with a potential $5,000 budget with most of the work covered by WAFAC. Camp Orkila was discussed as a possible location, which could showcase work completed by the District on Turtleback Mountain on Orcas Island. The expected participation would be from 40-80 persons. Potential attendees include Washington State DNR Commissioner of Public Lands Hilary Franz.

Discussion also covered the establishment of a District Newsletter. Much of the material for an informative newsletter is included in the monthly “Staff and Program Reports”. Various email marketing platforms Mailchimp and Constant Contact are being evaluated by the district. An interesting newsletter would include graphics and pictures. However, at the moment the “Staff and Program Reports” will remain as an internal document.

1. **Upcoming Trainings/Webinars/Events**
* Ag Resources Committee Listening Sessions – January 2022 TBD have not been set up yet.
* Ag Summit will be scheduled for early March 2022 (possibly 4th & 5th)
1. **Idea Pot**

New ideas, such as a Soil Health Committee and additional grant opportunities, will be further discussed at the Board Retreat.

1. **Partner Reports**

Jean conveyed information that there are bills being introduced related to district election:

* A bill has been pre-filed that supports the recommendations of the joint WACD and WSCC elections committee.
* Another bill in draft form takes a different approach by putting all 5 supervisors on the general election ballot.

More information will be forthcoming as the short 60-day legislative session convenes on January 10th, 2022 and ends on March 10th, 2022. Because it’s a short session, there is very little time for the legislature to consider major issues

At the December 2, 2021 WSCC regular business meeting, Commissioners passed a motion directing commission staff to undertake the following proposed revisions to Department of Ecology Livestock Policy:

1. The Commission will convene a stakeholder group, including an invitation for tribal, and state agency participation, to discuss how stock water could be provided in a manner consistent with state law, but still meet the needs of the landowner.
2. Existing instream flow rules will be examined to determine whether they include an exemption for stock water use.
3. The existing adjudicated watersheds will be examined to determine if they include a non-diversionary stock water reserve.
4. Possible statutory changes will be explored for legislative consideration to allow for a de minimis use for stock water.

Since that time, ECY has put the stock water policy on hold and suspended the comment deadline altogether pending the stakeholder process. More information is coming.

**Supplemental Budget**

Jean briefly discussed the Governor’s supplemental budget that was released noting the following changes in the 2021-23 Supplemental Operating Budget between SCC Requests and the Governor’s Proposal:

 SCC Request Governor Proposal

Sustainable Farms and Fields $2,000,000 $2,000,000

Conservation Equity and Engagement $ 500,000 $ 50,000

Riparian Plant Propagation Program not requested $1,300,000

As it was not requested by SCC, the Riparian Plant Propagation Program funding for $1,300,000 was discussed as being a key element of the Governor’s Salmon Recovery Strategy. The importance of restoring critical salmon habitat was emphasized.

1. **Public Comments**

None.

1. **Adjourn**

Meeting adjourned at 12:00PM.

**Next General Meeting: Tuesday, January 25, 2022**

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