**SAN JUAN ISLANDS CONSERVATION DISTRICT**

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

**May 24, 2022**

**Location:** Online via Zoom

**In Attendance**

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

Carson Sprenger (absent)

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

Linda Lyshall (absent)

**Staff:** Paul Andersson, Tony Fyrqvist, Kelsey Kittleson, Laura Pitts

**Partners:** Jean Fike, WSCC Puget Sound Regional Manager; Alan Chapman, WACD NW Region Representative; Robin Buckingham, Resource Conservationist National Resources Conservation Service (NRCS) Mount Vernon Field Office (absent)

**Public:** None

**MEETING SUMMARY – Final**

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

**Welcome and Introductions:**

Laura Pitts introduced herself as the new Natural Resource Project Manager for the District, having started work at the District on 5/16/22. She presented brief background information on herself, and the board members introduced themselves to her.

1. **Agenda Approval:**

The Agenda was slightly modified:

* Addition under 5 New Business consisted of “Board approval of WSCC end of year funding ($13K, $5k).
* Addition under 7 Subcommittee Reports consisted of “SJC Climate and Sustainability Committee – Staff Report.

No other changes were made.

Lynn made a motion to approve the agenda, she was seconded by David. The motion carried.

1. **April 26th Meeting and Board Retreat Minutes Approval:**

Lynn made a motion to approve the 4/26/22 Regular Meeting Minutes. It was seconded by David. A brief conversation ensued about efficiently balancing financial reporting in the Minutes for the Public, Board and Management while fulfilling State Auditors desire for increasing the amount of detail in the reports, which resulted in compliments to the District in the last Audit.

The motion was approved.

1. **Financial Officers Report:**

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

4/30/22 Balance Sheet

The 4/30/22 ending bank deposit balances were comparable to the previous two month-end balances.

Total deposit account balances at 4/30/22 were $267,898.78 – as compared to $250,344.75 at 3/31/22 and $274,393.21 at 2/28/22).

* $187,898.78 in Banner Bank operating account ($190,344.75 at 3/31/22)
* $80,000.00 in Liberty Bank reserve account ($20,000 additional deposit was made during April)

The current Banner Bank operating account deposit balance as of the Board Meeting date on 5/24/22 had substantially improved to $258,235.93. It was mentioned that this included the $22,750.00 award to ICC from Orcas Island Community Foundation deposited on the date of the Board Meeting.

Since the inception of the ICC/CCC Program, the Orcas Island Community Foundation has supported the Conservation District with a total of $226,555 in local grants. These grants have been invaluable to the program. And with the streamlined reporting requirements most funding have gone directly to providing results with minimal overhead.

The Accounts Receivable of $271,219.02 included the invoicing of the DNR Shovel Ready grant for $94,587.86. Some of the Receivables had been collected by the Board Meeting date resulting in the improvement of the operating account balances.

Generally, under Liabilities, credit cards payable should come close to matching the Credit Card Details Report, allowing for small variations for adjustments and timing of the bills.

4/30/22 Statement of Revenue & Expense

The increase in the dollar volume of District invoicing was reflected primarily by the large DNR Shovel Ready Invoice of $94,587.86 which was submitted as deliverables for the 19 participating landowners were completed. Through April 2022 only Eagle Lake Community Association had been reimbursed their $7,500 cost share portion which was stated under Program Grant Expenditures under Expenses.

Change in the presentation of Total Revenues:

* The income amounts shown represented invoiced amounts less the indirect income.
* Indirect is now tracked separately under Other Income.
* Indirect income generally consists of:
	+ 25% on WSCC invoicing.
	+ 20% on VSP.
	+ 10% on some federal and state grants.
* Indirect income is used to pay for district overhead such as rent, internet, phone other utilities, information technology, etc.
* Tracking the indirect income will provide the District with an additional tool for managing account balances, balancing grants and applying for new grants.

Total revenues in April amounted to $200,647.50 compared to $138,973.15 in March $69,529.22 in February and $123,172.07 in January.

The Assessment income of $30,636.04 reflected San Juan County first half property taxes due on April 30th (the 2nd half due on October 31st) and was deposited in the operating account by San Juan County Treasurer (not invoiced).

The expenses for the month were mostly standard, however, a comment was made that the Consultation Expense of $21,224.67 included amounts paid to San Juan Preservation Trust in conjunction with the DNR Shovel Ready Grant, as well as consulting payments invoiced to RCO Eelgrass Grant and Career Connect Grant.

In summary, during April 2022 the District recorded a Surplus of $114,208.67 which will be partially offset in the coming months as the DNR Shovel Ready cost share payments are processed.

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.

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 forms 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:

The District has received confirmation of receipt of the WSCC $13,000 Implementation Funding and $5,000 for Food System Support. The district is processing grant applications to SRFB. In this round the District did not receive funding for the $150,000 ESD Career Connect, however, we are currently preparing for the next round of funding as well as funding for ESD Career Launch Program.

The 2021 Annual Report to State Auditors Office was submitted on 5/16/22.

1. **Old Business**

Board Supervisor Appointment

Vicki mentioned that she has contacted 2 potential candidates. It was acknowledged that operators of active farms tend to be too busy to become Supervisors. However, retired persons could be ideal candidates as they would have sufficient time to devote to District affairs.

Annual Work Plan – Motion to approve 2023 Annual Work Plan and Budget

Vicki made a motion to approve the 2023 Annual Work Plan and Budget. David seconded.

* Under Goal 3: Promote Water Quality and Conservation a modification was made under Objective 1. referencing “surface waters (marine, wetlands, lakes, streams)” instead of “marine waters.

There was also a brief discussion about the complexity of budgeting as the District will invariably encounter multiple grant new grant opportunities during the year which are not in the pipeline process yet. Due to the diversity of funding sources the District budgeting process is by nature dynamic as was expressed in a recent District Manager meeting.

The existing budget is a reliable, but conservative, representation of District funding which was developed mainly with utilization of:

* District historical financials.
* Grant tracking report.
* Grant pipeline report.

The motion was approved.

Policy Updates – Line of Credit policies

In order to maximize efficiency the District Reserve Fund Policy has been combined with the Line of Credit Policy. The policy updates include:

* Target minimum reserve fund was increased from $10,000 to $80,000.
* In order to provide management the required flexibility to respond in a timely fashion access to the reserve account and line of credit up to $50,000 is authorized without requiring board approval.
* Other unnecessary conditions were cleaned up in the update process.
* The updated policy provides enhanced clarity as to the authorized personnel with appropriate access.

David made a motion to approve the updated San Juan Islands Conservation District Reserve Fund and Line of Credit Policy which was initially approved on August 24, 2021. Lynn seconded and the motion carried.

1. **New Business**

Board approval of WSCC end of year funding ($13k, $5k).

David made a motion to approve the following funding from WSCC to the District:

* $13,000.00 increase to 22-03-IM Implementation to cover additional time dedicated for staff training.
* $5,000.00 22-03-FP new Food System Support Grant.

The motion was seconded by Lynn and was approved.

1. **Staff and Program Reports**

YCC Program Updates – Staff presentation by Kelsey

Kelsey Kittleson, YCC Program Coordinator, gave an update covering YCC 2022 activities:

* The completed Alchemy Arts and Environment was 10 Week program for 12 students featuring hands-on experiences and guest speakers within the 4 units:
	+ Unit 1: Sense of Place and Observation
	+ Unit 2: Design/Messaging
	+ Unit 3: Reusing and Recycling Materials
	+ Unit 4: Individual Project Sessions
* Summer 2022 YCC Program consists of an 8 week session on San Juan and Orcas Islands from June 27th to August 8th which is provided by 5 staff members for 25 students. The sessions run from 9am to 3pm Monday – Thursday.
* Each week has a distinct theme:
	+ Week 1: Training Week
	+ Week 2: Sense of Place
	+ Week 3: Endangered Species Recovery
	+ Week 4: Marine, Nearshore & Wetland Environments
	+ Week 5: Land Management Ethics
	+ Week 6: Localized Food Systems
	+ Week 7: Forest & Fire Ecology
	+ Week 8: Art & Environmentalism
* This was the first time the program charged sliding scale activity fee. Due to the unenthusiastic response the fees were cut in half shortly after introduction.
* The program received only a limited response from Lopez Island and was changed to 8 events each lasting 3-4 hours on a once a week basis which are based on weekly themes with focus on capacity building. YCC will partner with local organizations to offer the events, and emphasis will be on fun and engaged learning.
1. **Subcommittee Reports -**

SJC Climate and Sustainability Committee – Staff report.

The Committee Meeting on Saturday 5/21/22 at the Grange was attended by a District staff member as a Solid Waste Advisory Committee (SWAC) Liaison and by a District Supervisor.

The Washington State Legislature recognized the threat posed by climate change already in 2008, and San Juan County Adopted Resolution 08-2008 initially, which was updated with San Juan County Resolution 20-2020.

The following core areas were recognized as being crucial in formulation of an efficient structure and a clear path forward with a target of achieving carbon neutrality:

* Transportation/Mobility
* Solid Waste
* Water
* Energy
* Ecosystem Health

Within the context of sustainability there was a brief conversation about localized food production and fire prevention.

It was agreed that the Conservation Districts are already engaged in providing tangible work and results in the effort to combat climate change.

Forest Health Collaborative (FHC) Subcommittee – did not meet.

Policy Subcommittee – did not meet.

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

WADE Annual Conference – Leavenworth, WA, June 13-15

The conference will be attended by 2 staff members from the District. Supervisors were also encouraged to attend.

Overall the conference is approaching maximum capacity with 30% of District Employees in the State planning to attend.

Hazardous Waste

San Juan County will host again host a hazardous waste disposal day in June:

* San Juan Island – Businesses: Friday, June 10, 1 pm to 3 pm (pre-registration required)
* San Juan Island – Residences: Saturday, June 11, 10 am to 2 pm
* Orcas Island: Saturday, June 18, 10 am to 2 pm
* Lopez Island: Saturday, June 25, 10 am to 2 pm

The non-ferry serviced islands will be serviced with a barge.

1. **Idea Pot**

 The discussion centered around biochar, available grants for biochar and the interconnection between biochar and:

* Large scale biomass and heating facility
* Composting

OPALCO is engaged in biochar conversation in conjunction with “The Wood Innovation Grant Program”.

Andrew Borner from Natural Plant Solutions on Shaw Island is involved in small scale biochar production within USDA’s Climate Smart Commodities grant.

1. **Partner Reports**

Alan Chapman, WACD NW Region Representative briefly discussed work of their three committees:

* Harmful Algae Blooms Work Group
* Investment Policy Task Force
* Sustainable Funding Committee

He also discussed Public Comment Policy requesting input from Districts.

Other topics of conversation included:

* Annual Meeting
* Resolutions Policy
* Work Plan – on website and will be aligned with Strategic Plan. Value comments from Districts.
* Budget – cost of health benefits.
* Plant Materials Center (PMC) – record sales, working to resolve staffing issues..

Jean Fike, WSCC Puget Sound Regional Manager stated that Elections have now been certified by WSCC and congratulated David Bill on being reelected as a Supervisor.

She also summarized the WSCC Memo dated 5/19/22 regarding the request for approval to allocate supplemental funds to districts for Fiscal Year 23. The following supplemental operating funding was discussed:

* CREP $2,000,000
* Sustainable Fields and Farms $2,000,000
* Riparian Plant Nurseries $1,300,000
* Professional Engineering $2,700,000
* Ag Disaster $300,000
* Artificial Lighting $125,000
* Community Wildfire $60,000

Capital funding was also mentioned in the following amounts:

* Farmland Protection and Land Access $2,000,000
* Voluntary Stewardship Projects $3,000,000

Robin Buckingham, Resource Conservationist National Resources Conservation Service (NRCS) Mount Vernon Field Office did not attend the meeting but provided a memo of recent NRCS updates from his office which include:

* Last month NRCS staff had more than a dozen joint visits with regional District staff.
* Wetland Restoration Criteria and Guidelines were released for Agricultural Conservation Easement Program-Wetland Reserve Easements.
* Two more applications were selected for FY22 Environmental Qualities Incentive funding.
* Conservation Stewardship Program (CSP) round continues.
* Improved water supply outlook due to record April snowpack.

The full memo has been placed with the other supporting documents.

1. **Public Comments**

None

1. **Adjourn**

Meeting adjourned at 12:00 Noon.

**Next General Meeting: Tuesday, June 28, 2022, 10:00 am to 12:00 noon.**