**SAN JUAN ISLANDS CONSERVATION DISTRICT**

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

**February 22, 2022**

**Location:** Zoom Meeting

**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; Alan Chapman, WACD NW Region Representative (absent)

**Public:** None

**MEETING SUMMARY – Final**

Prior to calling the meeting in order there was a brief discussion regarding the recent cold spell and county-wide power outage.

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

**Welcome and Introductions:**

There were no members of the public present and no guests.

1. **Agenda Approval:**

Agendas were presented for the 2/2/22 Regular Board Meeting and the 2/8/22 Special Meeting. Both were approved by consensus.

1. **January 25th Meeting Minutes Approval:**

Lynn moved to approve the 1/25/22 Regular Meeting Minutes and the 2/8/22 Special Meeting Minutes. David seconded the motion. The motion carried without discussion.

1. **Financial Officers Report:**

The Financial Manager provided the following summary of the January 31, 2022 Financial Statements commencing with the Balance Sheet:

1/31/22 Balance Sheet

The Financial Manager made a comment that the 1/31/22 ending bank balances were virtually unchanged from the 12/31/21 month end balances:

Total deposit account balance at 1/31/22 was $299,585.28 ($299,753.81 at 12/31/21)

* $259,585.28 in Banner Operating Account ($259,753.81 at 12/31/21)
* $40,000.00 in Liberty Bank Reserve Account (unchanged from 12/31/22)

In accordance with prudent financial review practices the current Operating Account deposit balance was also examined. As of 2/22/22 the District retained $202,888.64 in the Banner Bank Operating Account - while showing a decline from the previous month, it reflects the following facts:

* $20,000 was transferred to the Reserve Account on 2/8/22.
* $15,797.33 VSP invoice was approved by the County but not collected yet.

Other larger receivables not collected included:

* $23,172.17 from DNR representing work from Oct 21 through Jan 22
* $11,706.95 from ICC agency partners such a Washington State Parks and SJC Public Works.

As the CCC-OICF Grant Proceeds have been fully depleted by Islands Conservation Corps (ICC) operations, District accounting was modified by combining CCC and CCC-OICF into ICC. Future grants proceeds to ICC will be realized as income upon receipt and not depleted as income over time. ICC financials will be tracked by Quickbooks. This will reduce staff time for tracking and facilitate program budgeting.

The actual liquidity position of the District is determined by deducting the prepaid grant proceeds dedicated to specific projects from the bank balances which can amount up to $100,000.

The District no longer depletes prepaid grants from OICF as CCC income as these have been fully depleted. However, some of the current prepayments include:

* + $25,000.00 Received from Impact Assets for Lummi Guardians
	+ $11,000.00 Prepaid Grant Balances moved to Lummi Guardians from

 CCC-OICF

* + $ 9,250.00 Prepaid new WAFAC Lummi Grant Proceeds
	+ $ 45,250.00 TOTAL

In light of the continuing improvement in the District’s liquidity position there have been past recommendations to move additional funds to the Reserve Account.

However, a comment was made that as the Operating Account balances fluctuate substantially within each month it is important to retain sufficient balances in the account, particularly if cost share projects were to be funded simultaneously with payroll. Just the most recent payroll related expenses depleted the account in in early February 2022 by:

* $30,220.61 Payroll
* $ 9,165.68 Payroll Tax
* $ 7,219.75 DRS Retirement
* $14,360.95 Health Insurance
* $60,966.99 TOTAL

The District retains a Revolving Line of Credit of $50,000 at Liberty Bank which has not been used and which matures on 3/25/23.

1/31/22 Statement of Revenue & Expense

District invoicing volume continued at a steady pace during January with 25 invoices sent as compared to 23 sent in December.

Total Revenues amounted to $123,172.07 (compared with $69,235.59 during December 2021).

Comments were made on the following Income items:

* Career Connect invoice of $13,628.40 included:
	+ $5,745.85 in SJICD Staff Hours with 10% indirect income
	+ $7,882.55 in subcontracts with 10% indirect income
* Implementation invoice of $11,342.23 was slightly larger than the target of $9,818.58 (Total annual funding of $117,823/12). This included staff time on new grants as well as closing work on grants such as DOH-NEP which ended on 11/30/21). YTD Total of $70,059.67 is $1,329.6 over the target of $68,730.06.
* Island Conservation Corps Income of $5,855.50 no longer reflected the depletion of OICF donations, rather, it included 2 invoices to Washington State Parks – the District is holding 2 invoices to SJC Land Bank amounting to $10,296 until a new contract is finalized.
* The Shellfish invoice amount of $29,506.59 includes a Cost Share Invoice for $29,096.91 for WRCD Income of $9,250.00 reflects the prepaid ½ of the $18,500 Lummi Guardians Program funding.
* The YCC income of $4,256.89 reflected the continuing success of the “Big Ask”

Comments were made to explain the following Expense items:

* $5,564.52 for Audit Cost was paid in January. The Comp Rate of the Audit staff was computed at $113.10/hr. Another bill will be forthcoming in February as the total cost of the Audit was estimated at $8,500.00.
* Adjustments to Expenses:
	+ Rent – District pays $1,750/mo rent for the premises, but the District paid $700.00 under ICC Rental Assistance program which should have been booked as Program Rents.
	+ Travel and Training included a check for $2,165.95 paid to WWU under the Career Connect grant. This is moved to Consultation as represents a monthly consulting fee paid to Janise Bauman.

In summary, during January 2022 the District recorded a Surplus of $46,500.22.

Credit Card Detail:

The Board was informed that currently the $10,000 limit on the District Master Card is divided as follows:

* $10,000.00 District Card under Tony Fyrqvist
* $3,000.00 ICC Card under Kai Hoffman-Krull
* $1,000.00 ICC Card under Zoey Chue

In order to facilitate YCC operations, including purchases and travel, the District has applied for a new card for:

* $1,000.00 YCC under Kelsey Kittleson

As the card involves only a division of the existing credit limit, the District is not incurring any new debt and a Board approval is not required. The additional card will have a separate monthly statement which will be added into the future Credit Card Detail Report.

The District will incur savings as credit card expenses can be processed more efficiently than staff reimbursement forms, while retaining control with reporting and copies of invoices.

Adjusting Journal Entries:

In compliance with SAO recommendation the District will present a report of Journal Entries for Board approval.

R&R Accounting had prepared a report of “Adjusting Journal Entries”. A short discussion ensued whether this is the appropriate report or if all Journal entries performed over the month should be approved. Management will discuss this with R&R Accounting.

David made a motion to approve - with modifications as discussed - the financial package consisting of:

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

The motion was seconded by Carson. The motion was approved.

1. **Old Business**

Board Supervisor Election – Discussion of process and key dates

The board discussion covered Election processes, public notices and applicable dates:

* Elections will be held on 3/30/22 with polls open at 8:30am – 3:00pm.
* Last day to request mail in ballots 3/9/22 - 4:00pm.
* Last day to file as a candidate 3/2/22 - 4pm.

Ballot forms with second security envelopes are being prepared. The District maintains a list of registered voters who have requested mail-in ballots. These will be sent out after all candidates have completed their filing. The possibility of a write-in candidate on the ballot was also discussed.

The District has not established a policy on providing candidates biographical information. Comments were made regarding the possibility of providing this information on the District website while remaining neutral and providing all candidates with a level playfield.

Board Supervisor Appointment – Discussion of process and potential candidates

The other opening on the Board is for a Supervisor position appointed by the Board to fulfill the remaining term of a vacated position.

The difficulty in attracting suitable candidates was discussed. The Board and management will intensify search efforts.

Legislative Session – Discussion on updates on key legislation:

* HB1652 – This bill was supported by WSCC and contained updating the elections process with 4-year terms and elections held every other year. It has been substituted with a bill language containing expensive adherence to RCW29A general election rules and failed to make it out of House Committee for a floor vote, basically killing the bill.
* HB1910 – Was opposed by SJICD as it would divert funding from conservation implementation to running District elections along with general elections according to RCW29A.
* HB1838 – Establishing larger riparian buffer zones for protecting, restoring and maintaining habitat for salmon recovery failed to pass out the House policy committee as was viewed to be costly to the State’s Agriculture industry. The Commission anticipates anticipate salmon recovery related items to be included in the supplemental budgets

Commission preliminary budget numbers are also expected shortly.

1 and 5 Year Plan – Discussion of progress on current plan, updated for next plan

Discussion covered:

* Development of the plan will start from the Budget and work upwards.
* The plans should include a Career Development Component and job training which will be developed together with Western Washington University and Northwest Indian College. We will explore additional funding opportunities.
* Flexibility should be emphasized within the 1 year plan.
* Looking for further input from Board and staff.

75-Year Anniversary Planning

There were many suggestions for hosting a celebration with various agency partners such as NCRS, DOE, DNR, BLM, DOI, other Conservation Districts, and including local agencies such as the Land Bank, Preservation Trust and National Parks.

The celebration could be combined with honoring the retirement of staff members.

Suggestions for possible locations for the event included:

* Friday Harbor Yacht Club
* San Juan Historical Museum
* A private farm/property

It was mentioned that the participants would enjoy knowing what the islands looked like 75 years ago.

The District will develop a budget for the event which will include:

* Commemorative items
* Location costs
* Cost of refreshments

The time suggested for the event was from mid to end of May 2022.

An anniversary planning committee will be established.

1. **New Business**

SAO Audit – Discussion of audit results and recommended policy updates

SAO Audit covered the two-year period 2019-2020, with data from 2021 used to substantiate improvements in District policies and controls.

Audit exit interview with State Auditors Office staff including the Audit Supervisor, Audit Manager and Audit Lead was held on Monday 2/7/22. District staff included District Manager and Financial Manager along with 2 Board members.

The audit highlighted the substantial improvement in the District’s financial condition through rigorous work and commitment by the District.

The Audit also provided some recommendations including:

* Update to policy on travel expenditures and credit cards.
* Establishment of a review process of journal entries – monthly at Board meeting.
* Provide Line of Credit policy in the Policy Manual.
* Update and detail the review process for travel expenditures made by Board Members and the District Manager. A new training request form has been developed by the District which will also aid with the establishment of a travel budget.
* Update the pre-approval policy of training and travel expenditure. (eg pre-approvals being verbal).

The next audit is scheduled for 2023, but due to the substantial cost to a small District estimated at $8,500 we will inquire about if it can be moved to 2024.

Staffing updates- staff departures and hiring goals

The District is continuing to post the position of a full-time Senior Natural Resource Planner hoping to replace our current Senior Planner who will be retiring in May 2022.

Also, a Resource Planner in charge of the District’s cost share program who was initially planning a personal move within a year has accelerated the schedule and is considering a move within the next few months. The remaining two Planners have been learning about cost share and will be covering. And there is a possibility of remote employment continuation on a more limited scope.

It was mentioned that the San Juan Islands Agricultural Guild has currently 3 open positions including the Executive Director; and the San Juan Preservation Trust has 4 open positions. While signifying potential difficulty in hiring, it also means that a substantial marketing effort is being put forth by the District’s partner agencies which may result in attracting a pool of skilled applicants to the Islands.

1. **Staff and Program Report New Business**

Staff and program reports are enclosed as a separate attachment. The District is remaining very busy on multiple projects.

There was discussion about countywide Firewise Program. In the past the District has been involved with this, however, the current capacity to participate is limited by staffing and funding constraints.

As part of the Hazard Mitigation Program District staff is evaluating property fuel loads and fire hazards via “score cards”. The expansion of this program was discussed along with possible wildfire training by agency partners such as DNR. Presentation of the Districts current methodology to Homeowners association

The needs for the various programs will always have to weighed against the capacity to provide this service. Developing a “Fire Adapted Community” is a worthy and needed endeavor but a large obligation needing the appropriate staffing and other resources. It was mentioned that some qualified staffing in the future might be available under the ICC WWU Master’s Program with the possible specialization of the students into fields of:

* Forestry
* Agriculture
* Near Shore Ecosystems

The District has established 20 projects under the DNR cost share program. A short discussion was had relating to District cash flow implications of the program.

1. **Subcommittee Reports -**

Forest Health Collaborative (FHC) – met on 2/3/22 – notes included.

Policy – did not meet.

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

Ag Summit March 3, 4.

Staff and board members were encouraged to sign up for the training:

**Friday, March 4th** will feature virtual offerings including a community roundtable and multiple online sessions.

**Saturday, March 5th** will offer longer in-person outdoor workshops, lunch, a kid’s song & story hour, and a social gathering on Lopez Island. The Lopez Island school will offer coffee and tea from 7:30am -2:00pm.

1. **Idea Pot**

No discussion.

1. **Partner Reports**

Jean Fike mentioned that Chris Pettit was recently named the Executive Director of Conservation Commission. He comes to the SCC from the Florida Department of Agriculture and Consumer Services, where he served as director of the Office of Agricultural Water Policy. As an Attorney Mr. Pettit he has a suitable skill set in environmental policy and law, water resources, land use, government relations, and public administration, among many other issues relevant to the agency’s work in Washington.

He will start on 3/1/22 and in order to familiarize himself with the Washington Model of Conservation he will be working for the first 2 weeks with the current Interim Executive Director Kirk Robinson.

1. **Public Comments**

None

1. **Adjourn**

Meeting adjourned at 12:00PM.

**Next General Meeting: Tuesday, March 22, 2022**

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