**SAN JUAN ISLANDS CONSERVATION DISTRICT**

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

**February 24, 2023**

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

**In Attendance**

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

Carson Sprenger, Claire Crawbuck

**Associates:** None

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

**Partners:** Jean Fike, WSCC Puget Sound Regional Manager (absent); Alan Chapman, WACD NW Region Representative; Kathy Smith, NRCS

**Public:** James Skoog

**MEETING SUMMARY – Final**

Vicki Heater convened the regular meeting held via Zoom at 8:30am.

**Welcome and Introductions**

1. **Agenda Approval:**

Forest Innovations Grant was added under “9. Idea Pot”.

The agenda was approved by consensus.

1. **January 27th, 2023 Regular Meeting Minutes Approval:**

Carson made a motion to approve the 1/27/23 regular meeting minutes. The motion was seconded by David.

The minutes were approved without any changes.

1. **Financial Officers Report – January Financials:**

The Financial Manager reviewed the:

* Balance Sheet
* Statement of Revenues & Expenses
* Credit Card Details
* Journal Entries

1/31/23 Balance Sheet

The operating account balances continued to demonstrate stability with a slight $7,997.02 reduction from the previous month balance. Largely reflecting the fact that DNR invoices were not processed accounts receivable showed a reduction of $48,384.10:

1/31/23 12/31/22 11/30/22

* Banner Bank Operating $234,807.25 $242,804.27 $187,793.67
* Liberty Bank Reserve $100,000.00 $100,000.00 $100,000.00
* Accounts Receivable $111,761.97 $160,146.07 $227,685.66

The **current** Banner Bank operating account deposit balance as of the board meeting date of 2/24/23 was $194,674 which was $82,434.16 lower than at the previous board meeting date of 1/27/23. This was an anticipated reduction as the ICC Americorps participation fee of $55,000 and Cost Share checks totals $17,299.33 cleared the District operating account without corresponding cost recovery.

Other events impacting the operating account included DNR grant cost recovery invoices not yet processed amounting to $26,654.91, and Salmon Riparian grant costs not yet processed amounting to $22,195.85.

1/31/23 Statement of Revenue & Expense.

The following significant “Ordinary Income” items were highlighted:

* DOH-NEP – As the “Fringe” amount of the budget has been depleted, in order to cover costs future staff hour on invoices will be assigned fully to the “Personnel” line item.
* Implementation – with the grant balance of $32,250.68 and targeted $9,818.58 expenditure level the funding will last for 3.28 months. Reflecting training and other events usage has been slightly higher that the target.
* Salmon Riparian Income – Staff hours are fully invoiced, however, the uninvoiced costs amounted to $22,195.89 by the Board Meeting Date.
* Shellfish Income consisted of invoicing for 2 Cost Share Projects.
* RFG Income – Regional Forester Grant has $6,804.59 remaining and maturing at the end of Feb 2023. However, a new grant has been awarded to fund continuing work in this field.

Many of the “Expense” items consisted of standard reoccurring line items, however, the following larger expenses were briefly discussed:

* Rent expense of $14,350.00 includes $13,800 in quarterly rent stipends to ICC crew members.
* $55,0000 under “Training/Education” representing the ICC Americorps participation fee payment and will be moved to “Grant Services” which is the category used for the previous year’s $36,000 fee payment.

As the timing for the District financial statement generation is usually very tight – the final data being previous month’s credit card expenses which are not received until the middle of each month – there is not sufficient time to reprint the updated reports. The changes are made during review and approved.

In order to improve the accuracy of the financial statements the District will be including the expense categories with all payables and credit card expenses.

Reflecting regular monthly fluctuations the net deficit for January 2023 amounted to $58,957.70.

Credit Card Detail:

The “Credit Card Details” report displayed standard charges with specially noting the disputed items. District Card #3 will be changed from Zoey Chue to Paul Andersson.

Bank Reconciliation Report

The Bank Reconciliation Report was not reviewed in detail. It is prepared by R&R Accounting and is in compliance with all District and SAO guidelines.

Adjusting Journal Entries Report:

This report is prepared by R&R Accounting and any unusual entries outside of the standard payroll related tax, wage and benefit related entries would require further examination under the District’s double control of finances.

A motion was made by David to approve the financial packages for January 2023 consisting of:

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

The motion was seconded by Lynn and carried.

Grant Progress and Pipeline Report

* The District was awarded approximately $100,000 from the Puget Sound Partnership Habitat Strategic Initiative Lead (HSIL) for 2 years of continued Regional Forestry programming in partnership with other Puget Sound conservation district partners. This funding allows staff to continue to work on the approximately 15 pending private landowner forest management plans.
* The District was awarded approximately $280,000 from the PSP HSIL for 3 years of continued work on Eelgrass restoration projects in partnership with Friday Harbor Labs.

The source of both funding sources is the federal National Estuarine Preserve (NEP) program and the District will confirm acceptance of these funds by March 2nd.

Two smaller applications to the WSCC Food Systems grants were completed and submitted by the District but were not approved due to increased competition for these funds compared to last year.

YCC Coordinator has completed a grant application to BLM in the amount of $100,000.

The District has received a $40,000 donation from an anonymous donor based in Florida for a 15-passenger van which can be used by ICC and YCC programs to efficiently transfer staff to work sites. This is highly needed to improve carpooling and congestion at parking sites. Due to price and availability, the District may settle for an 8-12 seat van.

A brief conversation ensued requesting that more information be publicized about the importance of eelgrass in marine ecosystems. There have been ongoing public discussions, website information updates, and press releases related to this topic, but an increase in this is still warranted.

1. **Old Business:**

2023 Supervisor Election updates

The District has posted the public election notices and is following all election protocols, guidelines and events listed on the elections calendar.

It was briefly reviewed that the elections to fill vacancies for Board of Supervisors are being held on 3/30/23, while the last day to file for a candidate is on 2/27/23. The last day to request mail-in ballots is 3/16/23 – the District has already received a few requests and is fulfilling these. Mail in ballot submittals will need to be post-marked by 3/23/23.

Discussion - Review of Associate Supervisor applicants

The Associate Supervisor policy was approved in January 2023. In depth discussion of the direction, goals and commitment levels expected from Associate Supervisors can be continued at subsequent board meetings and the Board Retreat.

James Skoog’s expertise in Finance and working with Landowners, and Thom Pence’s experience in Forestry, are appreciated and deemed to be valuable to future District operations.

As James Skoog was in attendance at the meeting he expressed his initial task of listening and learning the District operations; and comparing the differences in capacity and finances between the District and the Land Bank, where he served as a Commissioner for 14 years.

The District has established Supervisor onboarding process which can be applied to the Associate Supervisors as well.

Action – Motion to appoint SJICD Associate Supervisors

Lynn made a motion to appoint the following individuals as Associate Supervisors:

* James Skoog
* Thom Pence

Carson seconded and the motion which passed without further discussion.

Board Retreat – Discussion of agenda, objectives, logistics

* The tentative date is March 24th.
* The location will be at the former States Inn Ranch on San Juan Island, currently being renamed as Neptune’s Return.
* The upstairs of the barn has a conference room in addition to other smaller meeting spaces available.
* Time of the retreat is tentatively set from approximately 8:30am to 4:00pm
* The tentative Agenda includes:
  + A truncated one-hour Board Meeting.
  + A field trip – Garrison Creek riparian restoration areas.
  + Discussion about 1yr & 5yr plans – the current templates used for the written report are provided by the Conservation Commission.
  + Active strategic planning session with a facilitator. The goal is to hear from staff and Board members about the future direction of the District.
  + Discussion about funding and potential capital fundraising.

As several staff members have received Jury Summons for the week of March 20, 2023, there is a possibility that the retreat will be postponed until April.

1. **New Business:**

Discussion and Action – Motion to amend staff leave policy language providing paid leave for jury duty.

The current District policy states that jury duty is unpaid. As this could present a financial burden on staff members it is proposed that the District compensates staff members for time served on jury duty.

Lynn made a motion to change the policy to provide compensation for staff serving on jury duty. David seconded the motion.

The discussion covered the fact that other businesses, such as banks, provide fully paid jury duty. Some small business provide partial payment. A “sunset clause” for a specific period payment for jury duty was also discussed based on District’s future financial capacity to do this.

Lynn made an amendment to the motion to read that the paid jury duty for staff is subject to District Manager approval, and paid jury duty for the District Manager will require Board approval. David seconded the amended motion and it was approved.

David made a motion to approve paid District Manager’s jury duty during March 2023. The motion was seconded by Claire and it was approved.

Discussion and Action – Motion to amend SJICD Receivables Policy from 2019 with current updates a proposed.

David made a motion to approve the receivables policy updates as presented. Carson seconded the motion. The discussion included the fact that the policy needed updating as it is uploaded with the Annual Report to the State Auditor’s Office and portions of the prior policy are already covered with other policies. The motion passed.

Discussion and Action – Motion to approve Cash Advance Request to WSCC for grant 23-03-SRF – Salmon Recovery Funding/Riparian Restoration.

David made a motion approve the Cash Advance Request to WSCC for 23-03-SRF, it was seconded by Carson. The discussion emphasized that with District Implemented Projects, such as this, funding for costs other than salaries and benefits is not available until the project is completed. In order to avoid cash flow shortfall the Commission provides a venue of up to 50% coverage of costs via a Cash Advance. The motion carried.

Discussion and Action – Motion to approve transfer of SJICD Reserve Funds from checking account to 12-month CD.

David made a motion to transfer the funds into a 12-month CD at Liberty Bay Bank at 4.33% APY and it was seconded by Claire. The discussion covered the possibility of opening a CD at another financial organization potentially gaining an even higher rate of interest. However, it was pointed out that the District has an unsecured, nonrecourse, Line of Credit with Liberty Bank which is being renewed simultaneously. The deposit account relationship is an integral part of the banking relationship. The motion passed.

Discussion of 1-Year and 5-Year Plan updates - process and timeline.

This will be further discussed at the Board Retreat. Paul will continue working on draft updates to the plans for board and staff review prior to the next meeting.

1. **Staff and Program Reports:**

Staff and Program Reports – Document attached.

The attachment being very comprehensive, the following points were briefly discussed:

* YCC is interviewing applicants for summer crew leader positions.
* ICC Program Manager is back from Family Leave.
* Cost share projects have been completed.
* Day-to-day management of the Island Marble Butterfly program is being performed by the recently hired project manager.

In addition, the topic of utilizing the Staff and Program Reports as a newsletter for public distribution was discussed. The pros, cons and District readiness for creating a regular newsletter were all discussed, with mention of Quickbase as the new management tool for mailing lists and “customer resource management” (CRM) that will benefit a newsletter.

The District is continuing to experience a high demand for farm and forest plans. If an award of the Community Wildfire Defense Grants is given, the District may be in a position to increase forestry staffing.

Presentation on SJICD riparian restoration program (Laura Pitts).

Laura Pitts, SJCD Natural Resource Project Manager, provided a slide presentation of the riparian restoration program at Garrison Creek and Crow Valley/Judd Cove:

* Garrison Creek
  + Timeline:
    - Fall 2022 planted 605 live stakes in Fall 2022
    - March 2023 will plant 1,000 bareroot trees in March 2023
    - 2023/24 wetland invasive suppression live stake plantings/maintain previous plantings
    - 2024/25 culvert improvements, maintain previous plantings, finalize wetland area planting
    - 2025/26 plant, maintain, address invasives at Blazing Tree pond, maintain previous plantings and create livestock barriers
    - 2026/2027 plant and cage maintenance, work on invasive species
  + Challenges:
    - Soil cracking
    - Dry summers creating stress on plants
    - Deer browsing
  + Solutions:
    - Soil amendment and seedling protectors
    - Water plants during dry conditions as necessary
    - Soil testing
* Crow Valley/Judd Cove
  + - 2023 over 5,000 riparian plantings with technical assistance to 7 landowners, community meeting.
    - 2024 maintain plantings, stakeholder outreach
  + Timeline:
    - 2023 over 5,000 riparian plantings
    - Technical assistance to 7 landowners.
    - 2024 and beyond maintain plantings, stakeholder outreach
* Monitoring: SVAP (Stream Visual Assessment Protocol)
  + Training was conducted by NRCS 11/15/22. The goal is to produce 12 SVAP assessments per biennium and establish a 5-year SVAP assessment cycle.
* Future Riparian Priority Projects
  + Priority will be placed on fish bearing “Type F” streams located on agricultural land.
  + False Bay Creek
  + San Juan Valley Creek
  + West Beach Creek

Conversation regarding the presentation included the high precipitation levels over the past few years and the resulting potential stream channel changes. These are addressed by buffers and setbacks. Soil data is analyzed to predict future changes.

It was mentioned that at this point the $100 million riparian buffer legislation HB 1720 is dead but that a $50 million budget proviso discussion is ongoing.

1. **Subcommittees:**

Did not meet.

1. **Upcoming Trainings/Webinar Events:**

* Ag Summit – March 3-4, 2023, at Friday Harbor Labs, SJI. Staff has been preparing for this event
* Terrestrial Manager’s Group Retreat – march 28-29; 2-day retreat at Moran State Park for multi-agency staff and board members
* March 2023 – WSCC Conservation Month
* June 12-14 – WADE Annual Conference, Leavenworth, WA

1. **Idea Pot:**

Forest Innovations Grant: Discussed the costs and benefits to the District between implementing large new projects or adopting more incremental approach to projects.

Applying this concept to processing woody biomass could make the difference between biochar and chipping.

It was decided that this can be discussed more at length at a Forest Health Subcommittee meeting.

1. **Partner Reports:**

Alan Chapman from WACD:

* Due to the holiday, business meeting was postponed.
* Shared Resources Committee met and will engage in new collaborative efforts.
* As previously mentioned HB1720 $100 million for riparian restoration funding will most likely come up again next year, but no action this year.
* HB1567 elections study bill was still in the House Rules Committee needing a member to advance it from the committee.

Cathy Smith from NRCS:

* Inflation Reduction Act supporting and providing additional $19.5 billion in funding for conservation programs within NRCS.
* NRCS offers assistance with climate-smart conservation practices that support agroforestry and forestry and funding through the Environmental Quality Incentives Program (EQIP).
* There is still time to apply for the Conservation Stewardship Program (CSP).
* Carbon sequestration was mentioned as one of the most important aspects in consideration for NRCS funding.
* Cathy offered help with the application process.
* She will be at the NRCS table at Brickworks in Friday Harbor on Friday 3/3/23 for the Ag Summit.

1. **Public Comments:**

None.

1. **Adjourn:**

Meeting adjourned by Vicki Heater at 10:40am.

**Next Regular Monthly Meeting: Friday, March 24, 2023. Tentative date for Board Retreat from 8:30 am to 4:00 pm at Neptune’s Return on San Juan Island.**