**SAN JUAN ISLANDS CONSERVATION DISTRICT**

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

**April 26, 2022**

**Location:** Online via Zoom

**In Attendance**

**Supervisors:** Vicki Heater, Lynn Bahrych (absent), 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 (absent); Alan Chapman, WACD NW Region Representative; Robin Buckingham, Resource Conservationist National Resources Conservation Service (NRCS) Mount Vernon Field Office

**Public:** None

**MEETING SUMMARY – Final**

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

**Welcome and Introductions:**

Robin Buckingham - a Resource Conservationist from the NRCS Mount Vernon Field Office - was introduced. He gave background information on himself and stated that in the future he plans on working in close contact with the Skagit, Island and San Juan Conservation Districts.

1. **Agenda Approval:**

The Agenda was examined by the Board Members and deemed to require no additions. It was approved by consensus

1. **March 22th Meeting and Board Retreat Minutes Approval:**

David made a motion to approve the 3/22/22 Regular and Board Retreat Meeting Minutes. It was seconded by Carson. David noted that the title line of the Special Meeting needed to state “Minutes” instead of “Agenda”. Correction was made to the final Minutes. The motion to approve the corrected final Minutes for of both meetings carried without further discussion.

1. **Financial Officers Report:**

The Financial Manager stated that the District is currently preparing the Annual Report to State Auditor’s Office which is due by May 30, 2022.

The following summary of the March 31, 2022 Financial Statements was also provided, commencing with the Balance Sheet:

3/31/22 Balance Sheet

The Financial Manager made a comment that the 3/31/22 ending bank balances were close to the previous 2/28/22 month end balances.

Total deposit account balances at 3/31/22 were $250,344.75 (as compared to $274,393.21 at 2/28/22)

* $190,344.75 in Banner Bank operating account ($214,393.21 at 2/28/22)
* $60,000.00 in Liberty Bank reserve account (unchanged)

It was also mentioned that the current operating account deposit balance as of the Board Meeting Date on 4/26/22 was $197,724.23 – and this balance is after another $20,000 was transferred into the Reserve Account on 4/11/22.

The total current Reserve Account Balance as of the Board Meeting date was $80,000.

As there was some deterioration in liquidity from January 2022 it was mentioned that the Receivable were at a high level at month end 3/31/22. Collection of receivables continued during April as expected and the summary of receivables outstanding at the Board Meeting date was briefly presented, with the Major receivables consisting of work invoiced to DNR for Feb-Mar 2022. Many of the ICC Single Invoices had also not been collected yet:

Accounts Receivable 4/26/22:



The quality of the receivables is good as all are deemed to be collectible.

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. Also, the District Operating Account has funds from services provided by ICC, which are dedicated to supporting ICC - as well as donations provided to YCC which will support YCC operations.

As expressed in the previous Board Meetings, a comment was made again that 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.

Below are the most recent payroll related expenses depleted from the account in early April 2022, but which were largely covered by collection of receivables:

* $33,460.53 Payroll
* $10,520.30 Payroll Tax
* $ 7,999.57 DRS Retirement
* $12,170.91 Health Insurance
* $64,151.31 TOTAL

In reference to the growth of the District it was mentioned that:

* Federal grants in excess of $750,000 will require a Federal Audit.
* Total revenues in excess of $2,000,000 will trigger additional Audit responsibilities with SAO.

However, at the moment the District is not yet approaching these thresholds.

3/31/22 Statement of Revenue & Expense

District invoicing volume continued at a steady pace during March 2022.

Total Revenues amounted to $138,973.15 - compared with $69,529.22 in February and $123,172.07 in January.

Comments were made on the following Income items:

* DNR was invoiced for Jan & Feb 2022 work:
	+ $32,072.21 Shovel Ready
	+ $2,475.81 Coordination
* Implementation invoicing amounted to $14,822.16. As shown on the Grant Balance Tracking Spreadsheet Implementation has $14,663.32 available and is expected to be fully depleted in April 2022. However, the mitigating factors are:
	+ The District is expecting $13,000 additional funding from Conservation Commission to cover item related to Implementation Invoicing.
	+ In past District staff marked down hours equally to Implementation and Assessment, however, during FYE 6/30/22 more emphasis was placed on Implementation rather than Assessment.
* Islands Conservation Corps Income reflected invoices sent to partners such as OPALCO, Public Works and San Juan County Land Bank
* The Lummi Guardians negative income represented a transfer of invoicing from Career Connect to correct a subcontractor charge.
* The District is in process of implementing separate tracking for Indirect Income which is a component of most District grants. This will be reflecting more accurately in the April 30 Statement of Revenue and Expense.

Comments were made to explain the following Expense items:

* The Computer Equipment charge under Supplies represented another computer purchased by the District for a Planner.
* Consultation expense of $18,759.99 included:
	+ $10,202.21 paid to Contractor San Juan Preservation Trust and invoiced to DNR Shovel Ready Grant.
	+ $5,000.00 paid to Billy Metteba under Career Connect/WAFAC Lummi program.
	+ $3,437.79 paid to Western Washington University under Career Connect.
* The Rent expense includes the District Rent at $1,750 along with other rental assistance provided by the district under ICC.
* The Cost Share disbursement of $29,096.91 was extended to San Juan Islands Preservation Trust.

In summary, during March 2022 the District recorded a Surplus of $17,786.77 recording a Year-To-Date Surplus of $31,947.26.

Credit Card Detail:

It was mentioned that the District has currently 4 Credit Cards:

* District Card with $10,000 limit
* ICC Card with $3,000 limit
* ICC Card with $1,000 limit
* YCC Card with $1,000 limit

The total District credit limit remains at $10,000.00 – the program cards have sub-limits under the total exposure.

The program credit cards were instituted to improve their efficiency and convenience of operations, and to reduce District costs relating to program staff having to complete Expense Vouchers which have to be approved by District Office. Additionally, R&R Accounting would have to prepare a check for each voucher incurring additional cost to the District.

However, some of the negative aspects of additional cards include:

* Additional operational District staff time is required to reconcile the cards and obtain all receipts.
* With additional cards come additional risks of fraudulent activity and loss of cards. During March 2022 the smaller ICC Card had fraudulent activity totaling $41.90 which was reported to the Bank and a new card has been issued by the Bank. These items will be reversed in the April 2022 statement.

Bank Reconciliation Report

The Bank Reconciliation Report was briefly discussed. It is prepared by R&R Accounting and is in compliance with all District and SAO guidelines.

Adjusting Journal Entries Report:

No further conversation ensued on this report as it was discussed in detail in the last Board meeting. It has been adopted as a standard report.

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 Carson and carried.

Grant Progress and Pipeline Reports

It was mentioned that this report was updated recently with all pending grants reflecting the Spring as a main grant season.

The District has applied for a total of $584,500 in new grants.

The LTAC Farm Tours Grant has been approved for $44,000. It contains an additional Island Grown outreach component called “Food Heroes”, which focuses on product supply channel directly from farmers to restaurants.

Salmon Recovery Funding Board (SRFB) grant applications include:

* $136,000 additional funding for Eelgrass
* $141,000 funding for Garrison Creek Watershed

There was also a brief discussion covering the $150,000 additional funding for ICC under ESD’s “Career Connect” program, with a possibility of ICC being eligible to apply also under the “Career Launch” program which would include capital funding for equipment purchases (such as purchase of a staff transport van).

1. **Old Business**

Board Supervisor Election Update

There was a mention that David Bill is unofficially the Supervisor-Elect for another three-year term in office. The results of the election will be certified by Washington Conservation Commission in their May 2022 Meeting.

Board Supervisor Appointment

The search for a potential Appointed Supervisor is continuing. A potential candidate was identified and contacted, however, he declined but expressed desire to continue to work in cooperation with the District.

Annual Work Plan - Attached

The conversation about the Annual Work Plan confirmed that the formatting aligns with partners, grants and other details. After the completion and inclusion of the Budget it will be presented for approval in the next Board meeting. The due date is at the end of May 2022.

There was additional conversation about water quality and harmful algae bloom, particularly as related to Zylstra Lake. Zylstra Lake Preserve is managed by San Juan County Conservation Land Bank the District the District will continue the conversation in a “partnership” capacity.

1. **New Business**

Policy Updates – Employee Handbook, Credit Card Fraud, Line of Credit Policies – Memo Attached.

The primary conversation topics, and edits, relating to the Employee Handbook included:

* Vacation accrual. WAC 357-31-165 provides information on the accrual rates for general State of Washington Government Workers. District Employees have historically been at lower accrual rates and should be updated. In order to attract qualified and experienced employees the Handbook provides a provision for an exception.
* The Salary Table in the Handbook will also need updating in order to attract qualified staff in light of competitive pressures. Salary adjustment should reflect the recent upsurge in inflation to 8.5%.

A motion was made by Carson to approve the edits as presented to the Employee Handbook with a second from David. The motion passed.

A proposal was made to combine the Line of Credit Policy with the Reserve Account Policy into one common policy. There was extensive discussion about moving funds from the Reserve Account to the Operating Account in conjunction with accessing the Line of Credit when needed by the District. Possible repayment scenarios were considered.

The rapid growth in the Reserve Account - reflecting the improvement in District cash flow - has somewhat altered the potential use of the funds from merely emergency cash to investment in a higher yielding financial instrument or down payment in a real estate purchase.

However, in light of the depletion of funds early each month for payroll and related benefits a caution was expressed that in combination with cost share funding the liquid position might become constrained at some point in the future, and a suitable avenue to access the Reserve Funds or Line of Credit should be provided to management with the following conditions:

* Rapid access without having to wait for a regular Board Meeting or having to schedule a Special Board Meeting.
* Conditions for access and repayment not being overly cumbersome and burdened with time consuming reporting and audit considerations.

There was a mention about establishing sub-limits of accessible funds, however, it was decided that the Policy Subcommittee should further evaluate Reserve Account and Line of Credit Policies and present findings to the Board.

Resolution to apply for Salmon Recovery Funding Board funding – Attached.

David made a motion to pass resolution 2022.002 to apply for Salmon Recovery Board Funding as stated on the Attachment. He was seconded by Carson. The motion was approved.

Cluster Engineer Resignation – memo Attached

Tom Slocumb, who had been the Cluster Engineer for 22 years for the Skagit, Whidbey, Snohomish and San Juan Districts, announced his resignation. A 5-year cluster agreement was signed last year.

A conversation ensued about the costs and benefits of staying together as a cluster or having our own engineer.

David made a motion to support continuance of a cluster agreement for engineering for local districts. He was seconded by Carson. The motion was approved.

1. **Staff and Program Reports**

Staff and program reports are enclosed as a separate attachment. The conversation commenced with YCC’s newly implemented participation fee and how that might have affected signups. While San Juan Island has experienced a sufficient number of children signing up Orcas Island has had a lesser number. And Lopez, particularly, has had difficulty attracting participants. In the past one of the YCC Coordinators lived permanently on Lopez and was able to garner support for the program.

The District recently rolled back the fees by 50%, while initially providing flexibility with the payment amount depending on household income. Historically Lopez has had lower number, and many late, signups. A possibility of breaking up the work on Lopez into separate projects such as Life Trail or Island Marble Butterfly were also discussed.

YCC has been working on establishing, and funding, year-round projects.

There was a brief conversation about Community Wildfire Protection Plan, countywide fire risk prioritization process and related biomass, GIS, burning and funding opportunities. Work on Turtleback Mountain was cited as an example.

District website has been improved for easier navigation. The horizontal menu on top of the website now contains, in addition to the standard “Home” and “About” the following menu, and submenu, items:

* Farms: VSP, Farm Plans, Farm Cost Share, No Till Drill
* Forests: Forest Plans, Forestry Cost Share, Forest Health Collaborative
* Habitat: Eelgrass, Island Marble Butterfly, Orca Recovery Day
* Conservation Corps: YCC, ICC, ICC Crew

Other improvements to District communications include using Mail Chimp newsletter approach for YCC.

1. **Subcommittee Reports -**

Forest Health Collaborative (FHC) – met on 4/7/22 – notes included.

Policy – did not meet.

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

Bruce’s Retirement Party is on Friday 4/29/22 at 6:00PM at the Grange.

David made a motion to adopt resolution 2022-003 expressing gratitude to Bruce Gregory on his 15 years of service to San Juan Islands Conservation District. The motion was seconded by Carson and approved.

Washington Association of District Employees (WADE) Conference will be held on 6/13/22-6/15/22 in Leavenworth. The cost is $550.00 including food and lodging. Paul Andersson and Laura Pitts are planning to attend, with possibly an additional new District employee.

The “Managing Pastures for Livestock and Water Quality” workshop on 4/21/22 at Coffelt Farm Preserve was attended by 4 District Staff and 15 participants.

1. **Idea Pot**

No discussion.

1. **Partner Reports**

Robin Buckingham, Resource Conservationist NRCS Mount Vernon Field Office, gave a presentation of the following 4 topics:

1. Staffing updates at NRCS Northwest Team
2. Fiscal Year 2022 Environmental qualities Incentive Program (EQIP) is almost complete with the Northwest Team allocated $2.6 million for 51 projects one of them being it the “Fixit Program” for water quality habitat.
3. Fiscal Year 2022 Conservation Stewardship Program (CSP) has 13 applications with 10 to be serviced from the Mount Vernon Field Office. Successful applicants qualify for a minimum annual payment of $1,500 for a period up to 5 years.
4. Water supply outlook examining snowmelt and average rainfall data.

The District is looking to improve cooperation with NRCS. In the Puget Sound Regional Caucus it was mentioned that NRCS is looking to add approximately 100 new employees in the State of Washington.

Alan Chapman from WACD stated that the following items were discussed in their last board meeting:

* Legislative items likely to reoccur concerning:
	+ Elections
	+ Buffer zone issue
* Desire for feedback from Districts

Next annual meeting will be held in central Washington. It will cover 2-3 days and plans are for 125 people attending in person, but provisions will be made for virtual attendance.

There has been conversation about the number of monthly meetings, while not holding meetings during July and August.

1. **Public Comments**

None

1. **Adjourn**

Meeting adjourned at 12:00 Noon.

**Next General Meeting: Tuesday, May 24, 2022, 10:00 am to 12:00 noon.**