**SAN JUAN ISLANDS CONSERVATION DISTRICT**

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

**September 22, 2023**

**Location:** at 530 Guard St., Friday Harbor, WA 98250, and via Zoom

**In Attendance**

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

Carson Sprenger, Claire Crawbuck

**Associates:** James Skoog, Thom Pence (Resigned)

**Staff:** Paul Andersson, Tony Fyrqvist

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

**Public:** None in attendance

**MEETING SUMMARY – Draft**

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

**Welcome and Introductions**

Thom Pence requested to step down as an Associate Board Member prior to the approval of the Agenda. Thom expressed his interest in field work but not administration. Thom complemented the district by saying it is one of the better run organizations he has ever experienced. He said he is very impressed with the district’s organization, staff, and programs, and has a strong desire to continue to assist District staff members with field work.

His departure from the Board was effective immediately, and he left the meeting.

1. **Agenda Approval:**

As there were no additions or corrections the agenda was approved by consensus.

1. **August 25, 2023 Regular Meeting Minutes Approval:**

Lynn made a motion to approve the 8/25/23 regular meeting minutes. The motion was seconded by David. The minutes were approved without discussion or changes.

1. **Financial Officers Report – August 2023 Financials**

The Financial Summary Report of 8/31/23 (included as an addendum with complete District financial statements) highlighted the substantial uptick in monthly invoicing as new grants have been fully executed.

Balance Sheet

While the Operating Account balance for the month end 8/31/23 was slightly above the previous month, it showed a drop-off by $36,776 to $262,662 on 9/19/23 due to:

* The balances at the end of the month were still reflecting accounts receivable collections from the substantial June invoicing cycle.
* Un-invoiced YCC Payroll costs for July and August total $38,910.
  + The un-invoiced amounts will be invoiced as appropriate match is developed to assure full recovery of costs incurred.
  + It was mentioned that due to the delayed RCO-No Child Left behind grant and unavailability of the BLM grant the District absorbed $28,303 in YCC costs in May and June. Due to new donors to the program the impact of this will be mitigated by the end of the year.
* VSP receivables total $42,056 for July and August
  + A caution was expressed as to the delay in the signing of the VSP documentation by the County Prosecuting Attorney. Due to additional modifications to the contract, the signing may be further postponed which will slow collection of the receivables.
* District costs totaling $58,196 for July and August have been invoiced to be recovered from WSCC funding and are being processed. District has not received funding yet.
* Recovery for expenses on other grant work has been invoiced in the amount of $24,158, but has not been funded yet.

Reflecting the higher volume of activity the 14 receivables as of 9/19/23 amounted to $124,409 – compared with only 3 items (mainly VSP and Implementation) amounting to $44,363 as of 8/24/23.

Statement of Revenue and Expense

Reflecting the execution of new grants total revenues increased to $116,442 in August from $54,771 in July.

Specific notes were made highlighting the following facts:

* 41% of total WSCC Implementation funding has been used during the first 2 months. With the new grants, staff time in following months should not be as concentrated under Implementation.
* 17% of total VSP funding has been used during the first 2 months, but the up-front high level of labor costs is not expected to continue.
* Several new grants, as specified in the Financial Summary, were invoiced for the first time in August.

Expenses were up during the month due to:

* Stipends paid to YCC summer crew members.
* Crew supply expenses incurred for the upcoming ICC season.
* Purchase of a 19’ 1988 Olympic boat with a 150 Honda outboard and a trailer for the District – and the related purchases of safety equipment and gear.
* The purchases were funded by a $40,000 private donation to the District which was specifically allocated for the transportation needs. The remaining funds of the donation currently amount to $15,250.

District Payroll Cost

The District payroll cost during August covered 18 staff members - including 2 new staff members and 4 YCC summer Crew Leaders - amounted to $89,375 which was up by $14,354 over the previous month. The YCC Summer Crew Leaders received their final paychecks for the season.

Credit Card Detail activity was up during the month reflecting:

* ICC crew supply purchases for the new season
* Safety equipment purchases and other costs related to the new District vessel.
* New computer purchases for staff members.

Lynn made a motion to approve the financial documents containing:

* The Balance Sheet.
* Statement of Revenues and Expenses.
* Credit Card Details.
* Bank Reconciliation.
* Adjusting Journal Entries.
* Payroll.

Carson seconded the motion.

Additional discussion covered insurance costs for the vehicles and satisfactory and affordable service provided by Enduris to manage District risk.

The motion passed.

1. **Old Business:**

Office and property acquisition – discussion of potential property purchase

The site was recently inspected by the District Manager with a board member who had not seen the building yet.

There have been conversations with Greg Sawyer, who is the County Facilities Manager, about the possibility of occupying the premises while the loan processing is pending. The County Manager has been on vacation and thus unavailable to respond to emails sent along with the supporting documentation and prospectus regarding the purchase plan.

The first milestone in USDA Rural Development financing program has been passed with the submission of the required 3 financing offers from private lenders. Heritage Bank and Savi Bank proposals were not feasible due to cost and terms. Banner Bank declined the District’s application. No indication as to the possible timing of the final USDA approval has been received yet.

There was further discussion about the current facility “bursting at the seams” at times with ICC season starting, and when all staff members need to work from the office.

The potential rent-to-own strategy with the County could have several advantages including:

* Fund raising from the actual site would become more tangible as the end result would be at display.
* Could place a fundraising thermometer by the building.
* The facility could be opened to various community groups and partner agencies.

Lynn made a motion to ratify the offer by the Conservation District to purchase the County Public Works Building for $880,000 as expressed in communication with the County Manager Mike Thomas. Carson seconded the motion. The discussion included:

* SJICDs current month-to-month lease and 60-day notice to vacate.
* Board member knowledge of an office space designer who could assist with occupancy of the new building.
* Office space allocations to staff members have not been determined yet.
* Parking place for the boat trailer.
* Rental agreement.
* Developing a Purchase and Sale Agreement - and Earnest Money Agreement.

The motion carried.

1. **New Business:**

SJICD Board Self-Review and Officer Appointment, Thom Pence Appreciation

As the Governance Policy of the District states that the Board will carry out a self-assessment with full, honest and timely participation by all directors a short form of self-evaluation has been developed consisting of:

* Attendance
* Professionalism
* Productivity
* Respect
* Value

The longer form of self-evaluation consists of 5 questions with each having 10 or so sub-questions.

After a discussion of the merits of each form there was general agreement that the longer form would be more appropriate. It will be further discussed in the next meeting, but there is no specific deadline for completion.

Board Officer Appointment

Vicki make a motion to nominate Carson as the Board Chair. The motion was seconded by Lynn.

The discussion covered:

* Careful consideration of the Governance Policy and assurance that no conflict of interest will take place.
* Supervisors will recuse themselves from any discussion or decision which directly involves or affects them.
* The District has established appropriate checks and balances.

Advantages of having an experienced Forester as Chair were also discussed. Effective mitigation of wildfire risk is coordinated between private and public enterprises.

Vicki amended the motion to include an effective date of October 1, 2023.

The amended motion passed.

Lynn made a motion to nominate Vicki as the District Auditor and David as Vice Chair. Carson seconded the motion. The motion passed without discussion.

WACD Resolution on Use of Charcoal/Biochar in Livestock Feed

Lynn made a motion to forward a resolution to the WACD Regular Meeting on October 4, 2023. Carson seconded the motion.

The discussion covered the information contained within the resolution:

The District is sponsoring a resolution with the following short title to the WACD Regional Meeting on 10/4/23:

*“WACD supports of the use of food-grade biochar as an additive to livestock feed to reduce methane production and greenhouse gas emissions and to improve soil and animal health.”*

The discussion included the following information (Full Resolution Provided as a separate attachment):

* Biochar has been successfully added to livestock feed in Europe and elsewhere in the world for many years.
* Use of biochar as a feed additive for animals that enter human food chain was removed from the Food and Drug Administration list of approved additives in the US roughly a decade ago, but California Department of Food & Agriculture allows the use of biochar in livestock feed.
* Washington State does not currently have a statutory allowance of biochar in commercial livestock feed.

The motion was approved.

LTAC Grant Submittal Approvals – Motion to approve LTAC grant applications for YCC and Farm Tours.

Lynn made a motion to approve the following Lodging Tax grant applications:

* $30,000 for YCC.
* $45,000 for Farm Tours.

The motion was seconded by David.

Discussion covered the 5:00PM submittal deadline on 9/29/23.

The motion was approved.

1. **Staff and Program Reports:**

Cost Share Scoring Matrix Update.

The Cost Share Matrix has been under development for several months to address the increased demand for cost share and the related increased need for scrutiny.

The 10-question point system was tested on a farm on Orcas Island and found to be highly useful.

In this context it was reiterated that cost share projects requiring an approval by the majority of the Board of Supervisors include:

* Projects costing over $50,000.
* Over 50% reimbursement of cost for public landowners.
* Over 75% reimbursement of cost for private landowners.

As each and every cost share project is unique it was mentioned that the matrix tool will be refined over several years, and a need to maintain flexibility is important.

It was briefly mentioned that the District received notice that all VSP capital funds have now been allocated.

Staff and Program Reports (document enclosed)

Under the topic of Forest Stewardship there was substantial discussion about the current San Juan County Assessor requirements for Designed Forest Land (DFL) including:

* District prepared Forest Plans which are not currently meant for determining qualification as DFL.
* Harvest Plans are used to qualify landowners for DFL in San Juan County.
* Adoption of possible updated criteria used by other counties in the State for determining appropriate qualifications for DFL.
* Using NRCS Template as a path for determining DFL.
* Currently the District has 18 Forest Plans in the pipeline, some of which may have been requested by the landowners in anticipation of obtaining DFL status.
* Education of all parties involved in updated methodology of designation away from focusing only on harvesting, but also taking into account wildlife, fire risk and aquifer recharge.
* Open space vs DFL.

San Juan County is in process of reactivating a “Current Use Committee” which has been dormant. This will be done in conjunction with hiring a Community Development Manager – the job is currently posted. The District would like to have a seat on the committee.

1. **Subcommittees**

Policy Subcommittee – Procurement Policy, Boat Use Policy.

Appropriate thresholds were emphasized within conversation about the Procurement Policy. Discussed definitions of competitive procurement being divided into: Minimal, Informal and Formal. The draft will be circulated among the Board members for further comments.

Claire made a suggestion that filing a “Float Plan” be added to the Boat Use Policy as it would aid a potential search and rescue. Conversation ensued about using the boat to transport staff on predetermined destination routes vs. unscheduled routes. Filing a float plan will be added to the draft Boat Use Policy, which will also be circulated.

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

Farm Tours of the San Juans: SJI 9/22-24; Orcas 9/30-10/1; Lopez 10/6-10/8.

* Farm Tours begin this weekend on San Juan Island.

Great Island Cleanup 9/30.

WACD NW Region Meeting, Clallam CD – 10/4

Orca Recovery Day – 10/14 – Including related events

WWU/ICC Fundraiser – 10/14

DNR Commissioner of Public Lands Hillary Franz Visit to SJICD – 10/24

The visit will consist of:

* Forestry walk at Turtleback Mountain Preserve on Orcas Island.

It was mentioned that she will be running for Governor of Washington State in 2024 and will vacate her position as the Commissioner of Public Lands.

Currently there are 5 Democrats and 1 Republican who have officially entered the race for the Commissioner of Public Lands.

In this context there was discussion about seeking drought relief to San Juan County. The challenge for this has traditionally been the county being outside of specified norms with no snowpack and highly localized water sources. There was a mention of stress caused to cedars and alders statewide due to climate change and the resulting water shortage.

Event Debriefs - Midnight’s Farm Aggregation 2023 Soil Retreat – 9/7 - 9/9

* Successful event addressing soil health.
* Participants from across the state.
* Karen Hills, the Program Manager of WSCC – Sustainable Farms and Fields, attended.
* Soil Health Initiative with participants from Washington State University, Agriculture Department and WSCC will meet on October 6th.

1. **Partner Reports:**

Alan Chapman reported the following events from the last WACD board meeting which occurred on Monday 9/18/23

* A number of historical Conservation Reserve Enhancement Program (CREP) contracts were completed in error, but the contract holders were not asked to return funding. San Juan County has not been active in the CREP program due to few qualifying streams. However, habitat restoration such as the endangered Island Marble Butterfly program might qualify.
* A contract with a legal counsel was approved to provide Conservation Districts with an initial 1-hour free consultation and a subsequent discounted rate.
* South Yakima Conservation District (SYCD) informed the board that they would not pay dues this year due to concerns about communication, but the board is focused on continuing conversation with SYCD.
* A subscription to a database for nonprofit funding sources was approved.

Kathy Smith from NRCS was absent from the meeting but it was mentioned that she had spent time recently on Waldron Island.

1. **Public Comments:**

None.

1. **Idea Pot:**

At the end of the meeting there was general conversation about the following topics:

* District Manager evaluation will be conducted in an executive session within next month’s Board meeting.
* The name of the District vessel is “White Oak”.
* Various locations were mentioned for a desired face-to face Board Meeting.
* The new facility would present opportunities for future community outreach.

1. **Adjourn:**

Meeting adjourned by Vicki Heater at 10:30am.

**Next Regular Monthly Meeting: Friday, September 27, 2023 from 8:30 am to 10:30 am.**