

Skagit Watershed Council
Meeting of the Board of Directors – Final Notes
June 2, 2016 SWC Office, Mount Vernon, WA

(* indicates action item; indicates decision)

Attendance: Chair Ken Dahlstedt, Richard Brocksmitth, Brendan Brokes, Steve Hinton, Michael Kirshenbaum, Carolyn Kelly, Colleen McShane, Jon-Paul Shannahan, and John Vanderheyden.
Not in attendance: Ken Dahlstedt took over the Chair at 10:24 upon his arrival (about the time that the Board entered into discussion on the 2016-17 Work Plan).

The meeting was called to order at 9:13am with a quorum.

Introductions, Determine Quorum, and Approve Agenda (#1)

Richard asked to bring up new business item regarding a contract with SCEA.

Carolyn moved and Colleen seconded approval of the agenda with Richard's addition. Motion unanimously approved.

Board Notes

Colleen moved and Carolyn seconded approval of the Board Notes for May 5, 2016 (#2) with a change to Personnel Policy section numbers. Motion unanimously approved.

Executive Director Report

Richard made general comments about the April 2016 financials (#3). He noted that the SWC has successfully concluded indirect rate negotiations with RCO for 2016-2017 fiscal year, resulting in a rate of 22.3%. This will be an annual process going forward. Steve commended Richard on the success of his negotiations and the transparency of his financial reporting.

Carolyn moved and Michael seconded the motion to approve the April Financial Report as included in the Board packet. Motion unanimously approved.

***Carolyn will be meeting with Richard and the new bookkeeper next week to review bookkeeping processes and discuss ideas for improvements. Carolyn will brief the Board on the outcomes of this meeting.**

- Program and Project Updates
Lead Entity project site visits are complete and comments submitted to the sponsors who are considering them as they update their draft applications. Final applications are due June 14 and on June 15 the projects will be presented to the full Council. Independent technical review will follow before the Technical Review Committee (TRC) meets to score projects on the last day of June. Lead Entity Citizen Committee (LECC) meetings will occur on July 14 and 28.

***Board members are expected to attend the June 15 Council of Members meeting to hear project reports and to ask questions as necessary about those projects.**

Committee Report

Richard provided a verbal report for the Protection Subcommittee.

- **Protection Subcommittee report for May**
 - The committee welcomed new member, Janice Flagan, Skagit County Surface Water Manager. They heard transaction updates on various projects. Richard drew the Board's attention to the list of active reach-level grants and stand-alone grants for a total of 128 acres newly protected since October 2015. 2011 Reach level grants, i.e. block grants, were completed with only stewardship projects such as plantings and garbage cleanup closeout work remaining. As for 2013 reach-level grants, they are also now fully allocated with signed purchase and sale agreements.
 - Subcommittee and staff are making great progress in updating the parcel and habitat analysis with mainstem and tributary data and testing initial outcomes from the draft Protection Strategy model and against the current Strategy.
***Further committee and Board review will proceed ASAP.**
 - The Board discussed the need to keep the database of protected lands updated.
 - ***The Board agreed to come back to discuss monitoring contract outcomes and possibly stewardship plans during 2016-17 Work Plan agenda item.** Since sponsoring entities have a project stewardship plan, Carolyn asked if these are also monitored for progress and success.

Old Business

SWC Work Plan & Budget review is part of an annual cycle ahead of the new July 1 fiscal year. Carolyn noted that the tasks in the draft 2016-2017 Work Plan previously seen by the officers were a mix of contract obligations, operations, and planning and were not in priority order. The officers asked Richard to re-organize them, yielding today's draft presented to the Board. This framework also provides a general set of priorities with contractually-required products being more important to complete than some of the strategic planning, for example.

- Review 2015-2016 Progress on Organizational Objectives (#4)
The Board reviewed the status (completed or in process) of thirteen organizational objectives in the 2015-16 Work Plan.
- Substantial discussion occurred regarding item 6 on the Habitat Work Schedule progress report and future direction.
- Regarding another objective of supporting 4 year work plan priorities, if projects get bogged down or need specific resources, how much assistance can and would SWC provide so they are successful and meet targets? It's a question about the ability to have staff ready to address these issues with member's projects (such as GIS or monitoring) and whether SWC can be responsive to these needs without endangering its own work plan.
 - ***The Board would like to consider ways to provide assistance to enable these projects' success.**
- ***The Board asked that items 1-3 be marked as completed but also ongoing.**

- ***The Board agreed to address in the 2016-17 Work Plan how SWC can utilize subcontractors to avoid the need for contract extensions regarding Chinook Monitoring Plan Update and Riparian Habitat Stewardship and Restoration.**
- The Board also reviewed progress on the 2015-2016 budget vs. actual. There has been a multi-year trend with meeting nearly all budget targets with the notable exception of professional services. This year, only about 15% of that target has been expended. While there are multiple reasons for this, it is important to arrest this trend now to meet our objectives in 2016-2017.
- 2016-17 Work Plan (#5)

The Board discussed priorities including contractual requirements, operational, and strategic objectives and asked Richard to adjust the Work Plan formatting, split & move some items to Contractual Obligation section, add some tasks, and address Task 6 questions.

 - Formatting:
 - ***The Board asked that each objective be followed by a list of relevant tasks.**
 - Moving Items:
 - ***The Board wanted steelhead monitoring alignment (1d) to be moved to Strategic Planning/other category.**
 - ***The Board asked that Task 6 (HWS) be listed under Contractual Obligations as 1f) with a newly-written objective.**
 - Keeping the Steelhead Recovery Plan in the Work Plan: Steve clarified that the Steelhead Recovery Plan process should be in the 2016-2017 Work Plan since the vetting process will complete in 2017. A finalized plan won't happen until 2018/early 2019. It helps to have it listed on the Work Plan, though there is some question about how real this timeline is.
 - Task 6 – Habitat Work Schedule (HWS):
 - The group reviewed the history, requirements, and current status of HWS. Richard recently completed a review of projects in this online database and found most to be in place but that we have not been consistently updating them recently to track progress and outcomes.
 - Keeping this HWS information updated is challenging due to staffing, difficulty in tracking down the full information in a timely and efficient manner, and entering it into a centralized data system correctly. SFEG and SWC staff currently maintains it, but it's a big job to staff that function. Some expressed concern about obligating sponsors to keep this info up-to-date if indeed it was a large and complex task. The HWS information is helpful in articulating project successes. ***Figuring out how to keep the HWS updated and our next set of priorities should be added to Strategic Planning.**
 - Add information:
 - Task 8: Four Year Work plan is required every other year - biannually. ***Look to 2017 and in spring next year answer the question of how to approach 4 year work planning for 2017/2018.**

- ***The implementation of the Skagit Capacity Fund as mentioned in Task 8 will be split out as a separate task.**
 - ***Add somewhere the need for Richard's attendance at the PSSRC meetings.**
 - ***Change in the budget the term 'discretionary' to 'reserve funds'.**
 - **Due to extensive discussion and requests for Richard to make adjustments, the approval of the Work Plan will be postponed until July or August.**
- Review 2016-2017 Draft Budget (#6)
Richard reviewed the draft budget by Task (page 2 of Draft 2016-17 Budget)

- Richard's projections on Steelhead Habitat Planning couldn't be outsourced to a contractor but ***Richard can adjust the numbers lower based on Board input.**
- Regarding the 3rd chart with expenses by project type, there was discussion about how many FTEs were estimated in the staffing column. This column's costs recognize the 2.8 FTEs currently available, with nearly half of the time going to the lead entity program and related administrative tasks for the office. ***Richard will estimate FTEs in the next iteration.**
- The Board can help to find ways to meet priorities by raising additional revenue and/or spending the discretionary or reserve funds. Financial policy specifies 6 months of working capital, which is currently estimated at about \$25K per month. Current cash in hand is \$109,673 plus \$11,000 CD. While it's improved significantly under Richard's management, reserves are lower than needed. Savings can be moved to reserves sometimes, depending on the color of money.
- In regards to getting work done, members of the Board indicated that SWC staff will in many places need to be more like project managers, not doers.
- ***The Board wants Richard to come back with more specificity on the two plans that need further project management planning (M&AM and riparian) and how contracted professional resources can be allocated to assist with their completion.** The Board felt that the Work Plan was a good place to add subcontractor allocations, while detailed work planning will continue into the next year with project management. ***The Board noted that they need to provide more guidance to Richard regarding getting work done through subcontractors.**

- Approve 2016-2017 Work Plan and Budget
The Board agreed that the 2016-17 Budget should be voted on today with the proviso that timely revisions be made no later than the September Board meeting.

Steve moved and Carolyn seconded approval of the 2016-2017 Budget as proposed with a requirement for staff to come back with further detailed proposals as noted above. Motion passed unanimously.

New Business

- Approve Kukutali Scope Amendment Request (#7)
Steve said the project came in under budget, identifying full restoration as the preferred alternative, and is requesting to keep money with the project for final design

and permitting, plus a small construction reserve. This will reduce the 2016 SRFB construction proposal by an equal amount.

Carolyn moved and John seconded approval of the amendment. Motion passed unanimously with Steve abstaining.

Steve and Carolyn excused themselves at this point at noon.

- SCEA Contract Proposal: Richard described the contract deliverables in a handout not previously included in the packet. ECO Net is a network now without direct funding (due to loss of PSP funding), but SWC also has the opportunity to ask them to help implement the community engagement strategy. Richard clarified that everyone benefits from the efforts of ECO Net via their important outreach collaboration.
***The Board wants to make sure this funding is the start of a multi-year effort but that the broader community, not just SWC, needs to work to build additional funding revenue streams for community engagement.**

This funding is not a guarantee of future funding from SWC. All of the entities have slightly different missions and receive funds from multiple sources, but they are working toward a common effort. A main point of this commitment of funds is to find the overlaps in these common efforts and strengthen them to improve outcomes for all.

Carolyn moved and John seconded approval of the contract. Motion passed unanimously.

- The Board briefly reviewed the June 15 Council of Members Agenda.

The meeting adjourned at 12:13pm.

Next SWC Board Meeting is July 7, 9am to 10ish by PHONE CALL.

Next SWC Board Meeting is August 4, 9am to 10ish by PHONE CALL.

SWC Board meeting is September 1, 9am – 12 noon at SWC.