



Luckiamute Watershed Council Board Meeting

March 9, 2023 6:00 p.m. – 8:00 p.m.

Hybrid Meeting at Indy Commons and via Zoom

Minutes

Attendance

Board: Britton Castor, George Grosch, Nick Hazelton*, Jackson Stalley, Jay Tappen*

Staff: Maya Cook* (minutes), Kristen Larson*

Guests: Judy Beebe* (Finance Committee, former LWC bookkeeper), Dan Farnworth* (Finance Committee, former LWC Treasurer), Jaden Bayer* (WOU student)

** attended in person at Indy Commons*

Call to Order & Introductions

February 9, 2023, Minutes APPROVED

Mission Moments:

Jay: seeing flocks of geese migrating around Ankeny & Baskett. Many others have seen swans & geese gone from winter grounds & appearing in new places.

George: Saw an article in Philomath news about Reuben Shipley & what his family went through.

Executive Committee Updates – Jay Tappen

Action: Re-elect Board members for a 3-year term

- Scott's work is getting very busy; having a lot of trouble juggling board & committee responsibilities, would like to do one or the other. Might be able to attend PRC meetings as part of work but can't chair.
 - Board would prefer to keep him on than lose him to a committee. Agreed to permit skipping or trading months if board facilitator timing ever doesn't work. Scott will step down as PRC chair.
- Jackson is happy to continue on.

Scott Youngblood 3-year term renewal – APPROVED

Jackson Stalley 3-year term renewal – APPROVED

Finance Committee & Treasurer Report – George Grosch

Still finalizing budget so it won't be a full report, but January account statements, expenses, documents, etc. have been reviewed & there are no concerns. Spending at the projected rate. SOFP to come.

- Kristen: Payroll setup problems are messing with how some accounts are showing on the Statement of Financial Position (SoFP). Rather than presenting wrong numbers, holding off on summary documents. Michelle & Gloria at Ascension working with Kristen & Judy to sort out issues. We'll evaluate after this payroll cycle. State & fed, IRA, insurance contributions are getting paid properly.
 - Judy: Payroll is technically correct, but how it hits certain accounts are misaligned. Not going to liabilities - just expenses, PTO incorrectly attributed (charged but showing in the wrong accounts).

Action: Extend approval to spend at the budgeted 2022 rate through April 30, 2023 – **APPROVED**

Preliminary budget draft shows 2023 draft budget next to 2022 proposed & actual; narrative references budget letters.

2022 Actuals not ready, but transactional record shows:

- \$839k project expenses (non-staff project costs),
- \$273.8k from personnel is a bit off, still trying to reconcile.
- 74% of staff cost is project related – the highest it's ever been. Reasons include:
 - J.P. used to be paid as a contracted project manager; more staff PM time means these costs showing

up in personnel now.

- Aubrey is now full time (split with Marys River WC, which is billed for his time)
- 2 interns last summer
- increase in Monitoring Coordinator FTE
- Overall, more project work & more spending
- Totals about \$1million in project spending.
 - Britton: does a budget that large change the types of projects we're capable of taking on?
 - Kristen: no, project work is more driven by plans & priorities we've laid out; but maybe we can take on more work at a time. The nature of our tasks is changing, though, as we accumulate reveg projects & acreage.
 - George: we have the funding to do more scoping (some sites are predetermined), but we still must evaluate & decide where to focus *first*, then cost, capacity, etc.
- Projected increases
 - Operating expenses like rent & utilities, in part due to inflation.
 - bookkeeper, & new payroll costs for setup & maintenance now that our incomparably affordable payroll guy has retired.
 - Personnel pay due to higher overall FTE, inflation, & commitment to providing fair & competitive wages.
 - Health insurance covers more people, but also due to new policy extending medical benefits to part time staff.
 - LWC Insurance renews every June. We have the opportunity to renew D&O / Employment premium in 2-year chunks to lock in rate, so that expense alternates biannually but saves overall.
- 2022 unbilled revenues: \$121k.
 - Net deficit because we haven't submitted invoices to grantors for revenue yet but we expect it.
 - It's still technically revenue to 2022 FY, but we decided to keep it cash-flow oriented, recognizing revenue when the money comes & not before.
 - Why? Multiple reasons. Sometimes it's about managing timing with payroll, waiting for other invoices, etc. Also 10% of grant funding gets withheld at the end of grant until all reporting has been approved. It's varied and complicated.
 - Judy: those funds can be booked as retainage instead. **Kristen will** add to Finance Committee agenda.
 - Note: There will be entries on December 31 for final balance sheet that get reversed on January 1 – starting with big negative that gets filled in with reimbursements. Still some discrepancies between end of 2022 & coming 2023, so another pass is forthcoming.

2022

- restricted donations lower than expected, did overspend but fund is ok.
- Standard 10% indirect revenue for admin of grant spending
 - We Budgeted \$80k but due to limited contractor availability (wildfires, rain, etc), we wound up overspending by \$15k due to work that didn't get done as a result.
 - George: will NICR (negotiated indirect cost rate) help?
 - It's not reversible - we commit to using it forever, though the value can change.
 - It does allow us over 10% indirect costs.
 - We'd need to move carefully to set up properly.
 - George: does unspent mean lower overall costs?
 - Not really, rent is rent.
- Unrestricted donations came in higher
- Operating Reserve (OR) – increased in 2022; is sitting in a \$55k 12-month interest-bearing CD for holding OR.
- General Fund: ~\$100k
 - We drew on general fund to cover OR & overspending for admin needs.

2023 Basics

- Currently 70 unique funds ranging from hundreds of dollars to hundreds of thousands of dollars – each with

its own strings & management requirements.

- Reviewed an example of how complicated juggling grant funds actually is.
George: part of building capacity is partly taking some of this burden off her plate. Getting staffed & functional makes for work-life balance.
- Personnel: will be the largest FTE ever once the Monitoring Coordinator position is filled, plus adding health benefits, paying fair wages.
 - Health insurance expected to go up extra this year to reflect increased costs of COVID
- Operating expenses: pretty fixed. We try to use admin funds for that so that council capacity can be allocated to staff.
- Project spending: guided by burn rates & grant deliverables.
- Currently only includes funds we're certain (or almost certain) about.

Draft: usually operating vs capital (extraordinary income/expenses – major bequest, capital projects, etc) budgets, but since we don't have anything that qualifies as capital, we use it to show income vs. expenses.

- Temporarily restricted = lots of strings attached, parts of it will be released to be used for FY, converting those parts to unrestricted.
- Left-hand **Unrestricted** column is really the budget.
 - Personnel needs tweaking. Aubrey is overallocated, so each position has to be recalculated & funded correctly. Even Kristen's salary is funded by dozens of grants.
- Next year won't have built-in deficit. Kristen has more work to do to get things lined up in terms of expenses and estimate revenue for reimbursements.
- **Kristen will refine this**, bring to FC and back to the Board at April meeting.

Projects total: backed up by a whole page of project codes, including: contractors, stakeholder engagement, holding funds for partnerships, plant materials. Mileage costs will increase with higher rate + more staff, more driving, more in-person meetings & events.

Discussion

- George would like to consider moving to quarterly board reports rather than annually.
- Dan: seems like bases are covered.
- Judy: concerns about changing indirect to NICR & would like to discuss further. Government priorities change; what if they reduce priorities & we're stuck with a lower rate?
 - George: Do we need to change how we manage the General Fund to accommodate?

EDI Statement

New version to review.

- General appreciation from Board members.
- Dave Ehlers sent an email in support of this version. He is out of town and couldn't attend this meeting.
- Executive Committee is content that this is a good current iteration.
- Jay: how do we monitor & update? Which committee will maintain?
 - It's in our actions to update a minimum of annually.
 - EDI remains regular agenda item for every Board meeting.
 - There's a somewhat nascent staff EDI committee, but direction so far has been from Executive Committee to prep for board discussion. Staff should also be brought back into conversations & trainings. For staff, EDI discussions occur at all-staff meetings, not separate group.
 - Up next: goals & metrics, contact with community leaders, & expanding our network.

Action: adopt EDI statement– **APPROVED!**

- **Maya will** make the page public.

Executive Director Update – Kristen Larson

- IOU: committee minutes for board packet & a written update.
- Lots of finances: budget work, payroll transition, & FY end. Next: 990

- Staff:
 - 8 MC applications received, blinded by Maya, Kristen will select who to interview.
 - Blinded hiring process is evolving, finding ways to remove bias potential is a lot of work
 - Hoping to screen and/or interview next week. Kristen will be on vacation last week of March, so hopefully making offers in April.
 - AmeriCorps volunteer tabled: application process is 9-12 months which is too much. Program is set up to not provide living wage and assumes volunteers will use public assistance to eat & survive.
 - Kendra Callahan moving on to Greenbelt Land Trust, so we've lost her help
- Lots of grants coming due.
 - We got ODA weed grant for MVRC, but slightly reduced.
 - Next month: OWEB TA grant in May
 - Starting Love Your Watershed
- Scheduled April 17 Rickreall WC meeting with their board reps, Nick, George, & Kristen, plus a City of Dallas staff person (Parks and Natural Areas Manager). Anyone else is welcome to come.
- A lot of requests to engage in public processes:
 1. ODA request to comment on knotweed control. Controversy because honeybee keepers love knotweed so they're pushing for denial of biocontrol.
 2. April OWEB Board meeting in Keizer decides relative proportions of grant allocations. There is some alarming conversation in January about the value of capacity grants. So a lot of mobilization to address their questions & comments. George & Kristen will go, other Watershed Councils are putting together reports as well.
 3. Neighborhood stakeholder disputes in Soap Creek area. Kristen spoke to local Watermaster (at Oregon Water Resources Dept.) today – several different agencies have visited, not considered a violation of anything. General consensus is to stay out of it. Other agencies are handling it. So far no evidence of impropriety.
 4. Coffin Butte Landfill expansion – withdrew application, doing new public process. Kristen was asked to be involved but didn't feel qualified, and Soap Creek area concerned about our lack of involvement. Maybe an opportunity for public education without advocating a position. Be prepared for complaints. Any individual can take any action, but as an organization it's beyond our scope.
- OWEB Self-Assessment discussion about 4 staff-recommended priorities:
 1. Overarching Strategy = Strategic Plan (digging more into E&O and urban waters)
 2. Assessment of External Environment & Community Needs (works well with Urban Waters initiative planning)
 3. Community Standing (extension of above and an ongoing priority)
 4. Board involvement & participation in fundraising – more opportunities coming out of COVID

Discussion:

- Jay: isn't there a disconnect between staff recommendations & board self-assessment?
- George: The final report doesn't differentiate. Board did ask the staff to suggest priorities since they're mostly the ones implementing them; can approve or change. These align with issues the Board has already identified as important in past discussions.

Consensus to support the above priorities.

Upcoming Meeting Variances:

- Reschedule May meeting to **Thursday May 18** in-person at Western Skies Ranch, Karin to facilitate. No concerns registered.
- **June 8** at J2E with pre-meeting tour of prairie planting starting at 5pm.
- Cancel July meeting & meet **August 3** at Happy Workers Club building. **Nick will** schedule. Maybe we have a BBQ before?
 - Will need to reschedule Fundraising Committee to another day. **Kristin will** add to next FRC agenda. Maybe move to end of July to accommodate Kristen's vacation & go halfway between July-Aug.

Other upcoming events:

May 16: McMenamins Friends & Family Night

June 24: LWC Paddle Day

Fundraising Committee Update – Jackson Stalley

1. March 5 Social & Celebration event debrief: first time at GFWC Building, went well. 55 attendees – biggest ever attendance (previously 40-45 attended). For reference, 110 came to 20th anniversary event, which was all comers. This event was targeted to donors, volunteers, Friends of the LWC, etc.
 - Jackson enjoyed it, but some kind of music might be a good improvement.
 - Jay had a great time, met new people, learned more about the watershed.
 - Jackson talked to WOU president about turning away community organizations for Gentle House reservations. Didn't realize it was happening, and things will probably improve next year.
 - We have outgrown it for the social, but maybe MD thank you or some other smaller event may be a good fit.
2. 2022 EOY Campaign summary
 - Campaign spans final quarter of previous year & first quarter of the next year.
 - Funds raised: \$7965 (including December 3, 2022 events were \$9280).
 - 55 donors, 12 first time, 2 new monthly (highest count ever!).
 - Appx 12 people donated regularly in the past but we haven't heard from them. **Kristen will send out a list** - please review the list & if you have any relationship with these folks, please check in on the & make sure all is well. Not badgering to renew, just check on them.

Projects

| <i>Application Pending</i> | <i>Design & Permits</i> | <i>Implementation</i> | <i>Maintenance & Monitoring</i> | <i>Notes</i> |
|--|-----------------------------|--|---|------------------|
| River Network – Community Led Research Project (Urban Watershed Engagement Program) ¹ | | REVEG: LSNA Phases IV & V, MMT MW “LP3” Reveg & Fencing, Maxfield Creek Reveg, S. Fork Pedee, Upper Ritner RCG, J2E, Expand the Benefit Site 2 (Little Lucki); Lower Luckiamute Floodplain Forest Enhancement | REVEG: LSNA Phases I - III; Upper Luckiamute Phases I & II; Fencing/Reveg; Ash Creek; Expand the Benefit Site 1 (Luckiamute) | 1 – MOU executed |
| ODA Weed Board Grant – MVRC Knotweed Control (LWC is applicant on behalf of MVRC) ² | | IN-STREAM: | Instream Projects: Maxfield Creek Phase II, Side Channel, Bridge Piers Modification; Upper Price Creek, Wolf Creek, Upper Ritner, S. Fork Pedee, J2E, LSNA Ph. 4 (Floodplain Recxn), Upper Luckiamute Large Wood Placement, Upper Maxfield Restoratio1n, S. Fork Pedee Upper Culvert (BLM-led) | 2 – Funded! |
| | | Love Your Watershed Program (EnO committee) | OWEB TA - NetMap Modelling and Field Surveys & MW Culvert Assessment | |
| | | Mid-Willamette Beaver Partnership | | |
| | | Luckiamute Basin Knotweed Control | | |
| | | OWEB Technical Assistance for Project Development (MVRC Regional TA grant) | | |