

OKANAGAN-KOOTENAY STERILE INSECT RELEASE PROGRAM BOARD

Minutes of a Regular Meeting of the **OKANAGAN-KOOTENAY STERILE INSECT RELEASE (SIR) PROGRAM BOARD** held in the Woodhaven Room of the Regional District of Central Okanagan, Kelowna, BC, on Friday, Sept 16th 2016.

Voting Members:

Director Duane Ophus, Chair	Regional District of Central Okanagan
Director Shirley Fowler, Vice-Chair	Regional District of North Okanagan
Director George Bush	Regional District of Okanagan Similkameen
Director Chad Eliason	Regional District of Columbia Shuswap
Amarjit Lalli	Grower Representative – Zone 2
Dave Dobernigg	Grower Representative – Zone 3

Non-Voting Members:

Director Gail Given (alternate, unofficial)	Regional District of Central Okanagan
Dr. Kenna Mackenzie	Agriculture & Agri-Food Canada
Susanna Acheampong	BC Ministry of Agriculture

Guests:

Glen Lucas, General Manager (remotely)	BC Fruit Growers Association
Allan Neilson	Neilson-Welch Consulting Inc.
Juliet Anderton	Juliet Anderton Consulting Inc.

Regrets:

Director Brad Sieben	Regional District of Central Okanagan
Billy Potash	Grower Representative – Zone 1 (Organic)

Staff:

Cara Nelson	OKSIR GM/Director of Business Development
Melissa Tesche	OKSIR Acting General Manager
Carol Teschner	CORD Finance Manager
Paul Thiessen	OKSIR Operations Manager/Compliance Officer
Hugh Philip	Contract IPM Specialist
Elysia Zimmer	Recording Secretary

1. CALL TO ORDER

The Chair called the meeting of the OKSIR Board to order at 9:07 am.

It was noted that while Director Given is attending as an alternate for Director Sieben, she is not an official alternate so will not be allowed to vote. Mr. Thiessen was introduced to the Board by the OKSIR Acting General Manager.

2. ADOPTION OF AGENDA

2.1 Adoption of Agenda

Moved by: Director Bush

Seconded by: Director Fowler

"THAT the September 16, 2016 meeting agenda be adopted."

CARRIED

3. MINUTES**3.1 Regular Board Meeting – May 6, 2016 – for adoption****Moved by:** Grower Dobernigg**Seconded by:** Director Eliason*“THAT the OKSIR Regular Board Meeting Minutes of May 6, 2016 be adopted.”***CARRIED****3.2 Business Arising from Minutes**

N/A

4. DELEGATION/PRESENTATION**4.1 Interim Report – Exploration of Structural Options to Capture Revenue Opportunities – Mr. Allan Neilson, Neilson-Welch Consulting Inc. & Ms. Juliet Anderton, Juliet Anderton Consulting Inc.**

The Board was reminded that in order to reduce the reliance on local property tax revenues, to invest in technological improvements, or to undertake new services initiatives involving other invasive pests, proper legislation and authority is necessary for an expansion of scale and scope opportunities as outlined in the strategic plan. Consultants Allan Neilson and Juliet Anderton were hired to investigate the options. Mr. Neilson has been working with the program governance and legislation since 2003 and is an important connection for the BC Ministry of Community, Sport and Cultural Development.

Mr. Neilson began presenting his interim report to the Board.

Grower Lalli arrived at 9:12am.

Mr. Lucas joined the meeting remotely at 9:13am.

Mr. Neilson outlined the challenges of our current corporate structure and the objectives to be achieved by changing it. He and Ms. Anderton reviewed the following three options:

1. Amend existing MEVA
2. Establish special-purpose legislation
3. Establish one or more local government corporations

MEVA is a tool with significant authority that was intended to address a specific issue, but is not right for an ongoing program that requires the ability to evolve. However, editing it would only be a temporary fix due to its prescriptive nature. Special-purpose legislation would see MEVA repealed and an “SIR Act” put in place that would give the authority needed and, in theory, retain the powers of the Board. The difficulty is relying on the Province to grant that authority and create the Act through a very onerous process.

Establishing corporations makes use of the regional district’s powers under the Local Government Act. The first sub-option would remove MEVA and see two corporations established: one to deliver the service and the other to operate the rearing facility with the two being linked through agreements. It is unclear if the Province would support the necessary regulations for this. The second sub-option would retain MEVA to deliver the service, but establish the production facility as a corporation, which is believed to be the best option at this time.

The Board was advised to be cautious about adjusting MEVA as it could result in unexpected, undesirable changes. MEVA lacks the flexibility that a corporation would have, but if it was replaced by two corporations there could be a loss of regulatory authority. However, as long as MEVA is in place, expanding scope to provide greater value would be difficult. Under a corporate structure, additional revenue opportunities could be available. Grants would provide an additional source of revenue to help the program explore opportunities for improvement of technology and marketability. Another source of revenue would be sales

of product and expertise earned under the facility corporation and funnelled back to the program through agreements.

Mr. Lucas left the meeting at 9:52am.

Once our market is determined, a business plan will be needed to outline structure changes, the purpose of the changes, anticipated costs and revenues, and when the Board could expect dividends. If revenues are coming in, it is hoped that the tax cost would be reduced on both growers and the general taxpayer while possibly providing more services. The Board was assured that taxpayer revenue will not be put at risk and reminded that costs have been reduced for the past 6 years by not increasing taxes.

It was emphasized that the expansion to other pests is about necessity – there is a short timeframe before more invasive species arrive. If we are not proactive, benefits of the program will be lost as growers begin spraying for new pests. Board members were advised to seek support from their Regional Districts about making changes to the program that will allow it to evolve in a way that will best benefit its stakeholders. It was clarified that while MEVA does allow expansion of pest type, the type of service is limited to SIT.

It was asked if the regional districts have given authority to a corporation to enforce bylaws under contract, and if this could be a way around MEVA. The consultants will consider this along with other details discussed today, and what they hear back from the Ministry. A final report will be presented at the October OKSIR Board meeting.

Moved by: Director Fowler

Seconded by: Grower Lalli

“THAT the OKSIR Board receives the Interim Report – Exploration of Structural Options to Capture Revenue Opportunities – Mr. Allan Neilson, Neilson-Welch Consulting Inc.”

CARRIED

Mr. Neilson and Ms. Anderton left the meeting at 10:23am. The Board took a break at this time.

The meeting resumed at 10:30am.

The Chair noted that it would be best to wait for the final report on Exploration of Structural Options to Capture Revenue Opportunities before further circulation. The Regional District Boards will be advised first on OKSIR’s strategy in relation to this report.

5. CORRESPONDENCE / INFORMATION

5.1 Staff Report from Cara Nelson, General Manager/Director of Business Development, dated September 13, 2016 re: Business Development Activities Update

The General Manager/Director of Business Development highlighted items in the Business Development Activities Update. The Board inquired about our facility’s predicted ability to keep up with demand of supply agreements. While markets are still being investigated and developed, the facility does not produce at 100% capacity. Also, we do not currently have authority to invest in the cost of production above our own needs, so a change in corporate structure is required. In addition to investigation into market development, there is work being done to secure import approvals and cost effective shipping arrangements similar to other successful biocontrol companies.

Moved by: Director Eliason

Seconded by: Grower Lalli

“THAT the OKSIR Board receives the Staff Report from Cara Nelson, General Manager/Director of Business Development, dated September 13, 2016 re: Business Development Activities Update.”

CARRIED

5.2 Staff Report from Melissa Tesche, Acting General Manager, dated September 9, 2016 re: Program Update

The Acting General Manager highlighted items in the Program Update. Also, the Board was forewarned there may be orchard properties posted for removal at the October OKSIR Board meeting. Ms. Tesche noted that compliance action is never taken lightly, and every effort is made to resolve infestation issues before such compliance is undertaken. If allowed to continue, however, high infestation can negatively impact neighbouring properties. It was noted that many infestation problems occur on properties designated as orchards because they meet our orchard status of 1/3 acre or greater with 20+ trees, but that are not being operated as commercial operations.

Moved by: Grower Dobernigg

Seconded by: Director Bush

"THAT OKSIR Board receives the Staff Report from Melissa Tesche, Acting General Manager, dated September 9, 2016 re: Program Update."

CARRIED

5.3 Staff Report from Melissa Tesche, Acting General Manager, dated September 9, 2016 re: Decision Aid System Update

The Acting General Manager received notice this morning that all of the paperwork for the Decision Aid System has been fully executed.

Moved by: Director Eliason

Seconded by: Director Fowler

"THAT the OKSIR Board receives the Staff Report from Melissa Tesche, Acting General Manager, dated September 9, 2016 re: Decision Aid System Update."

CARRIED

6. UNFINISHED BUSINESS

7. NEW BUSINESS

7.1 Staff report dated June 16, 2016 re: 2016 OKSIR Parcel Tax – Taxable Acreage – Taxable \$ Values

The final acreage for 2016 when compared to the final acreage for 2015 shows an *increase* of 105.28 acres, or \$14,661.30. This is the second year in a row to see an increase. Last year, the final acreage had increased for the first time in the Program's history by 26.07 acres, or \$3630.52. Industry has assured that acreage is increasing, but the current replant program makes certainty difficult.

Moved by: Director Fowler

Seconded by: Grower Lalli

"THAT the OKSIR Board receives the staff report dated June 16, 2016 re: 2016 OKSIR Parcel Tax – Taxable Acreage – Taxable \$ Values."

CARRIED

7.2 Interim Financial Statement to August 31, 2016

The Finance Manager presented and discussed the Interim Financial Statement in detail with the Board. The Program is doing well and on budget financially. Management noted their plan to continue to be conservative in budgeting by planning for a slight decrease in parcel tax revenues. Although 2016 saw a slight increase in acreage, it is too early to predict whether or not the increase will continue into the future.

Moved by: Grower Lalli

Seconded by: Director Bush

"THAT the OKSIR Board receives the Interim Financial Statement ending August 31, 2016."

CARRIED

8. ADJOURN TO IN-CAMERA

There was no In-Camera Meeting.

9. OTHER BUSINESS

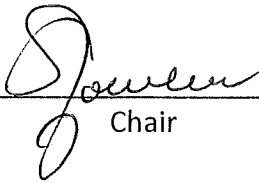
10. ADJOURNMENT

Moved by: Grower Lalli


Seconded by: Director Bush

"THAT the SIR Board meeting be adjourned at 11:28am."

CARRIED



Chair



Corporate Officer

